

## **Town of Tonawanda Public Library Financial Policy**

The finances of the Town of Tonawanda Public Library – Kenilworth and Kenmore Branches consist of two types of monies:

### **Operational Funding**

Operational funding is arranged through an annual contract for services with the Buffalo and Erie County Public Library. The administration of these funds is delineated by this contract.

### **Private Funding**

Private Funding is from fundraising, donation, grant or other sources and managed by the Board of Trustees of the Town of Tonawanda Public Library.

The Private Accounts of the Town of Tonawanda Public Library consist of non-operational donated monies, income earned from the sale of library owned materials and equipment, and foundation fund income. This money may be used for any purpose approved by the Board of Trustees, and may be retained from year to year.

The Private Accounts are divided into encumbered and invested monies.

Encumbered money is kept in a checking account and spent for library purposes unless specifically designated by the donor. The Library Director handles this money; its use is reported to the Board in the Director's Report and/or Financial Reports. It is limited to short term spending and includes:

- Memorial & Monetary Donations – usually designated for library materials, equipment or furniture
- Petty Cash – the Board designated the money collected from the sale of discarded library books and media to be spent for the purpose of purchasing materials, supplies or services.
- Tax money – we must collect NYS sales tax on library discards. This money is held in the Special Account and remitted annually.

The following policy statement will govern the acceptance, safekeeping, investment and utilization of the private funds and operational accounts.

### **Cash Procedures:**

#### **Petty Cash**

The Board of Trustees of the Town of Tonawanda Public Library establishes one petty cash fund for the purpose of paying small cash amounts at both the Kenilworth and Kenmore libraries. Items will later be charged to their various expense accounts, private and county funded as appropriate. Use of the fund must be pre-approved by the Library Director or Librarian in Charge. The fund will be drawn from the money collected from the sale of discarded library books and media. The balance will be established at \$250.00, and will be housed at the Kenmore Library. This amount will be evaluated at least annually by the Library Director in January, and any increase or decrease will be approved by the Board of Trustees.

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### **Checking Accounts**

All monies should be held in accounts established at a federally insured commercial bank within the library service area as selected by the Board of Trustees. The Board of Trustees authorizes the Library Director to make deposits and to transfer funds from account to account as necessary.

No withdrawals or expenditures shall be made from these accounts without the express authorization of the Board of Trustees. The treasurer, two additional trustees designated by the Board and the Library Director (or acting Director) will be authorized to sign checks. All checks over \$500.00 require two signatures, the Library Director (or acting Director) and either the treasurer or the designated trustee. All payment authorizations should be initialed by the director or the director's designee before signing the checks.

Bank statements and monthly bank reconciliations must be reviewed and approved by the treasurer or another trustee. This must be an individual who does not prepare checks for signature. Segregation of duties is especially important.

The private fund accounts may be audited at such frequency and by such person or organization as the Board of Trustees from time to time deem appropriate. The Library Director shall make monthly reports to the Board as to activity in the private accounts.

### **Donations**

Every effort will be made to ensure that recognition of the donors is timely, meaningful to the donor, and appropriate and equitable, unless the donor wishes to remain anonymous. Gifts on which a donor places restrictions or special conditions will be accepted only if those restrictions or conditions are accepted by the Town of Tonawanda Public Library Board of Trustees or its designee. If the conditions placed on the donation by the donor are such that the donation should be used for long term purposes of the library, such funds shall be invested with such financial institution as prudent in the circumstances.

All donations will be acknowledged in such a manner which fulfills the requirements under the laws in effect for public charities at the time of the donations.

### **Investments**

Since the objective of investment account assets is to maintain liquidity and principle guarantee, the funds can only be deposited into FDIC (Federal Deposit Insurance Corporation) money markets, certificates of deposit and U.S. Treasury instruments.

These policies are determined by the Board of Trustees, and are subject to review and revision at the discretion of the Board. Appeals to any policy may be submitted to the Board of Trustees in writing.

Adopted November 8, 2016; reviewed and accepted with changes by the Town of Tonawanda Public Library Board on February 11, 2020; reviewed and accepted with no changes by the Town of Tonawanda Public Library Board on June 8, 2021. Reviewed and accepted with no changes by the Town of Tonawanda Public Library Board on September 13, 2022.