

# Ontario Public Library

## Policy 4064

### FINANCIAL CONTROLS

The Library Director is directly accountable to the Board of Trustees for the expenditure and stewardship of public monies.

#### Cash Management

- Cash Receipts accrue to the Library primarily from fines and fees. The cash drawer is balanced daily by an authorized Senior Clerk, Clerks, or Youth Services Librarian (YSL) and secured by the Library Assistant or Director in the safe until deposited in the authorized bank.
- A petty cash fund is used for the purchase of small or incidental items such as postage, beverages, and small craft items for programs, etc. Petty Cash is stored in the safe. Staff must sign a petty cash receipt to receive cash. A vendor's receipt must be presented for reimbursement requests. The Library Assistant shall draw a check to replenish the petty cash fund as needed. The Board of Trustees sets the petty cash amount.
- Access to the in-house safe is limited to the Library Assistant and Library Director.
- Payments of accounts due will be made upon receipt of an invoice for goods and/or services to the Library in compliance with Policy 4006: Procurement Policy.

#### Banking

The Ontario Public Library has entered into authorized written agreements with the Lyons National Bank (LNB) and the Canandaigua National Bank (CNB) as approved by the Board of Trustees.

- Cash deposits are made to the general checking account with Lyons National Bank except as follows: Annual payment to the library of tax payer revenue from the Town of Ontario will be deposited to CNB.
- The LNB Checking account is used for local deposits, petty cash payments, external transfers to CNB General Account, and can be used for expense reimbursement. External transfers from this account to the CNB General Savings account are authorized by the Library Director and transacted by the Bookkeeper/Treasurer. A check will be used for external transfers. Online access to this account is limited to viewing and monitoring transactions and stop payment activity. Additional policy details and requirements are defined in the **Online Banking** section below. This is an FDIC insured account.

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- The Legal Savings fund is established with LNB with restricted use for paying attorney and related legal fees. There is no online access to this account. The Board of Trustees is responsible for authorizing fees to be deposited and/or withdrawn from this account. This is an FDIC insured account.
- The Payroll Checking account is established with LNB with restricted use for payroll expenses. The Payroll Checking account is an Automated Clearing House (ACH) account and is further detailed in the **Online Banking** section below. This account is FDIC insured.
- The CNB Savings (Municipal Choice Savings) account is established to safeguard interest-bearing library funds with FDIC and third party custody agreements (collateral agreements) through Manufacturers and Traders Trust Company for uninsured funds. This account is an online banking account with additional policy details and requirements defined in the **Online Banking** section below.
- The CNB General Checking account (Municipal Plus Choice Checking) is established to pay vendors (accounts payable). This account is an online banking account with additional policy details and requirements defined in the **Online Banking** section below. This account is FDIC insured and has third party custody agreements (collateral agreements) through Manufacturers and Traders Trust Company for uninsured funds.
- Monthly Bank Statements for all accounts are delivered by the U.S. Post Office. Statements are opened, reviewed, and approved by the Library Director for reconciliation by the Library Assistant. Additional oversight is detailed in the section **Financial Review** below.

### Online Banking

The Ontario Public Library has entered into a written agreement with Canandaigua National Bank (CNB) for online banking services.

Lyons National Bank authorities have established limited online banking procedures for the LNB Checking and LNB Payroll Checking accounts. LNB online functions shall be used only by authorized Library employees.

- Online banking access is by unique user account names and passwords. The Library Director serves as Administrator on all accounts and manages sub-accounts. The Library Assistant is a sub-user on all accounts. The YS Librarian is a view-only sub-user on CNB accounts.

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- Authorized Use of Online banking is approved by the Board of Trustees as follows:
  - The Library Director can electronically transfer funds (EFT) from the CNB Savings account to the LNB Payroll account and view/print statements and activity screens for all accounts.
  - The Library Assistant can electronically transfer funds (EFT) internally from the CNB Savings account to the CNB Checking account, externally from CNB Savings to the LNB Payroll account, and view/print statements and activity screens for all accounts.
  - The YS Librarian can view account activity online for CNB accounts.
- Online banking will take place only at the employee's work computer.
- Wire transfers and electronic payments to vendors are not allowed except these debits, approved by the Board of Trustees:
  - Paychex is authorized to debit from LNB Payroll Checking the amount of bi-weekly payroll, payroll taxes, and the payroll service fee including disability insurance per the submitted payroll process.
  - NYS Employee Retirement System (NYSERS) is authorized to debit from LNB Payroll Checking the employee contributions withheld from employee's paychecks per the Monthly Retirement Report.

### Financial Review

Financial review will be an ongoing process.

- The Library Assistant will prepare a warrant at least monthly listing all expenditures, including the name of the vendor(s) and amount of payment, to be reviewed and signed by two (2) Trustees. Payments will only be made upon receipt of an invoice from the vendor.
- A monthly financial reports will be prepared by the Library Assistant, reviewed by the Director, and presented to the Board of Trustees for approval including:
  - payroll journals,
  - Bank Reconciliation report detailing fund balances for all accounts.
- The financial records are reported as mandated to the Office of the New York State Comptroller.
- The financial records will be audited by an external CPA at least once every three years. Payment for this contractual service will be included in the annual budget.