

Financial Controls Policy

Watkins Glen Public Library

Purpose

It is the purpose of this policy of the Watkins Glen Central School District Free Public Library (“Library”) to establish clear financial controls that ensure no one individual has sole authority over the Library’s monetary deposits, investments, purchases, or disbursements.

More broadly, this policy provides a framework for the responsible and transparent management of all Library financial activities—including budgeting, revenue collection, procurement, grants, reporting, and compliance with applicable laws and regulations—to safeguard public resources and promote fiscal accountability.

Budget

The Library has a Board-approved written budget. This budget is developed annually as a cooperative process between the Board of Trustees and Director. The Director develops the budget in conversations with staff and presents it to the Board of Trustees. The Board of Trustees reviews the budget, provides recommendations, and approves it. The budget is ultimately determined during the annual budget vote by school district resident voters.

Budget Deviations and Revisions

The Library recognizes that unforeseen expenses or revenue shortfalls may occasionally result in deviations from the approved budget. In the event that actual expenditures exceed budgeted amounts, the Library Director shall notify the Board at the next scheduled Board Meeting and provide justification for the variance. The Board may authorize the transfer of funds from designated reserves, such as reserve funds or investment accounts, to cover such overages.

During the fiscal year, the Library may find it necessary to reallocate funds between approved budget line items to respond to operational needs, changes in service priorities, or unexpected circumstances.

The Library Director is authorized to reallocate funds between budget lines with Board approval and should maintain documentation. Under no circumstances may funds be reallocated in a manner that violates grant restrictions, donor intent, or legally designated fund purposes.

All budget deviations and corresponding fund transfers must be approved by a majority vote of the Board and documented in meeting minutes. The Library shall make every effort to minimize reliance on reserve or investment funds and ensure long-term financial sustainability.

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Fiscal Year

The fiscal year of the Library is July 1 through June 30.

Receipts and Disbursements

All Library monies received by check or cash shall be deposited promptly and coded and recorded to the appropriate accounts. All Library disbursements shall be made either digitally or by means of checks drawn upon the Library accounts and signed by authorized parties. The Board of Trustees will maintain an updated Banking Resolution. This document will be updated any time a signer or banking institution changes.

Accounts Payable Process

The Director shall provide all bills for payment to the Treasurer/Bookkeeper. The bills shall be entered into QuickBooks Online. Checks will be printed by the Treasurer, signed by the Director, and mailed by the Treasurer. The Director's signature proves as the authorization that the expense was approved.

Monetary Gifts to the Library

The Library welcomes cash contributions, bequests, estates, and true trusts. Monies gifted to the Library will be designated upon their receipt by the donor, or at the recommendation of the Library. Gifts shall be earmarked for general operations, specific collections or projects, or existing trusts. Monies earmarked towards existing trusts may be invested based on the Library's investment policies. All other types of gifts will be deposited into insured bank accounts. The Library reserves the right to refuse any gift that it deems to be not in the best interests of the Library to accept. All gifts are final. Gifts valued at \$500.00 or more shall be reported to the Board of Trustees.

All deposits are made via the Director and a copy of the deposit slip and details of the deposit are provided to the Treasurer.

Disposal of Surplus Library Property

Library materials no longer deemed appropriate for the collection may be made available through the annual Book Sale. Library materials may also be redistributed to members of the community in exchange for a donation. Library materials may also be donated to non-profit organizations, local charities, or declared to have no value to such organizations and be recycled.

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Credit cards, online banking, and check writing

The Director, Board President, and Board Finance Officer have the authorization to sign checks. All checks over \$2,000 require two signatures.

The Director and Treasurer are authorized to pay bills online. The Director will provide the Finance Officer with statements for online payments monthly, or as requested.

A single business credit card is available to the Director for purchases for which other forms of payment are impractical. The credit card shall be available for the purchase of equipment, materials, and services intended for the benefit of the Library, as well as payments related to travel on official library business as determined and approved by the Board of Trustees. The Director shall take necessary precautions to ensure the safekeeping and proper use of the card and associated account numbers.

The Library is a tax-exempt organization and shall not routinely pay sales tax. In rare cases where sales tax is applied due to vendor policy or other factors beyond staff control, payment may be approved by the Director with appropriate documentation. The Director will maintain receipts for all products and services purchased.

Returned and Outstanding Checks

A charge shall be applied to a patron's account for a returned check equal to the charge assessed by local banks. When a check is outstanding for more than six (6) months, the Library Director, Treasurer, or designee shall notify the payee that the check was issued and is still outstanding. The payee will have thirty (30) days to claim the outstanding check.

Petty Cash

The Library maintains \$75.00 in petty cash in a locked drawer to be used as needed. The Director has access to the petty cash. Purchases made with petty cash require a receipt for payment per the Library's purchasing guidelines. To replace petty cash, the Director must submit documentation for approval which includes copies of receipts of money spent. The request for Petty Cash replenishment will be provided to the Treasurer. Money is dispersed via check-to-cash.

Purchasing and Procurement

The Library complies with the General Municipal Law of the State of New York, generally accepted auditing standards, and the principles of responsible fiscal management. Purchase contracts involving expenditures in excess of \$20,000 and contracts for public work involving expenditures in excess of \$35,000 are generally subject to competitive bidding under the law.

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For all materials and services not subject to competitive bidding, the Library will solicit at least three (3) competitive quotations for public works and purchase contracts. Such price quotes will be either written or verbal based on the following criteria:

Procedures for procurement of purchase contracts not subject to competitive bidding:

- Under \$3,000 → Discretion of Library Director
- \$3,000 - \$19,999 → Documented quotes from at least three (3) separate vendors (if available)

Procedures for procurement of public works contracts not subject to competitive bidding:

- Under \$3,500 → Discretion of Library Director
- \$3,500 - \$34,999 → Documented quotes from at least three (3) separate vendors (if available)

In emergency situations, verbal quotes should be obtained. The process of soliciting competitive quotations, as long as the procurements are below the bid thresholds, is not necessary if the procurement adds to an existing service.

Prevailing Wage Compliance

The Library is committed to complying with New York State Labor Law regarding prevailing wage obligations:

- Under Article 8, prevailing wages must be paid on all public works (construction-related) contracts, regardless of contract value.
- Under Article 9, prevailing wages are required for building service contracts (e.g., cleaning, maintenance, security) only when the contract amount exceeds \$1,500.

The Library will verify wage schedules and ensure all vendors and contractors adhere to applicable prevailing wage laws when required.

Purchasing Documentation

All documentation pertaining to all individual purchases will be kept on file in accordance with NYS Records Retention guidelines. Documentation may include records of quotes/bids, price analyses, packing slips, invoices and numbered vouchers including check numbers. If it is a single source procurement or the lowest bidder is not chosen, adequate justification for price paid is required.

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Accounting Method

The Library will maintain its accounting records on accrual basis conforming to generally accepted accounting principles and in a manner that facilitates the preparation of appropriate audited financial statements.

Books of Original Entry

The Library will maintain a Chart of Accounts and will utilize established commercial accounting software for managing funds. Adequate documentation will be maintained to support all general entries.

Financial Reports

Appropriate monthly financial reports will be distributed to the Board of Trustees prior to all official Board meetings.

Every year the Library must prepare financial reports for the federal (990) and New York State (Annual Update Document or AUD) governments and the State Division of Library Development (Annual Report for Public and Association Libraries).

Internal Financial Controls

An internal financial control system is established by the Director in accordance with the Standards established by the New York State Comptroller's Office. The internal controls should be periodically reviewed, evaluated, and adjusted as necessary. The Director will report evaluations and changes in the internal financial control system to the Board of Trustees.

The Library undergoes an annual financial independent audit or review to assess the Library's financial practices and determine the accuracy of accounting records. Annual audits or reviews are intended to strengthen the Library's financial management efforts and ensure the efficient use of taxpayer dollars while providing quality library services.

Payroll

Employees are paid on a bi-weekly basis for the time they have worked and/or benefit time they have used. Timesheets must be approved by the Library Director with time reporting in compliance with New York State labor law. All timesheets must be submitted to the contracted payroll firm by noon Tuesday of payroll week. The contracted accounting firm will maintain all payroll registers, timesheets, W-2's, approved wages and related payroll and withholding information. Changes in salary will be made consistent with Personnel Policies. Employee payroll files are to be maintained and housed in a locked filing cabinet in the Director's office. Paychex handles all payroll

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related activities including processing payroll, submitting state and federal quarterly filings and year end tax reporting including W-2 and W-3 forms.

Grant Funding

The Library shall manage all grant funding in accordance with applicable laws, grantor requirements, and the Library's internal financial controls. All grant applications must be authorized by the Library Director (or designee) and, when required, approved by the Library Board. Funds received through grants shall be accounted for separately from general operating funds and used solely for the purposes outlined in the grant agreement. The Library shall maintain documentation sufficient to demonstrate compliance with grant terms and ensure accurate reporting to the funding agency.

Claims Auditing Process

To disburse funds, financial reports must be approved by the Board of Trustees at monthly meetings. The Library may pre-pay reoccurring claims (such as utilities, personnel costs, or those that carry a penalty for late payment). Authorized bank fees, payroll processing fees, and retirement contributions may be debited directly from accounts, if applicable and necessary. These claims will be recorded in monthly reports. Bank and credit card statements will be provided to the Director and Treasurer monthly for their review.

Bank Reconciliations

Bank and investment account statements will be reconciled monthly by the Director and Treasurer with Library records for accuracy and completeness.

Audit Committee

The Audit Committee shall retain an appropriate auditor or auditors for the annual review or audit, review audit results, and report findings to the Board. Before the audit begins, the Audit Committee will review the scope and planning of the audit with the auditor(s). Following the audit, the Committee will meet with the auditor(s) to discuss findings. The Committee will annually consider the auditor's performance and independence. The Committee will report findings and conclusions to the Board of Trustees. The Audit Committee shall be composed of the Finance Officer and one (1) additional trustee.

Revised and approved February 10, 2026.