

Schuylkill Valley Community Library Financial Policy

I. Accounting

A. Basis of Accounting

The Schuylkill Valley Community Library uses the cash method of accounting.

B. Bank Reconciliations

1. The director will review and initial the bank statement for the debit account before submitting to the bookkeeper.
2. The bookkeeper will reconcile statements for the remaining accounts.

II. Internal Controls

A. Segregation of Duties

The library's financial duties are distributed among multiple people to help ensure protection from fraud and error.

B. Physical Security

The library maintains physical security of its assets to ensure that only the people who are authorized have physical or indirect access to money and valuable property.

III. Financial Planning and Reporting

A. Budgeting Process

1. The library's operating budget is prepared and approved annually by the director in conjunction with the Board Budget Committee.
2. A line item budget will be used.
3. The budget is to be approved by the Board of Trustees prior to the start of each fiscal year.
4. The budget is revised during the year only if approved by the Board of Trustees.

B. Internal Financial Reports

The library prepares regular financial reports and presents them to the board on a monthly basis.

C. Audits

1. A review of the financial records and accounting procedures will be completed annually by a certified public accountant with a full audit completed every 3 years.
2. Audits and reviews must be completed and submitted to the Berks County Public Libraries and the Office of Commonwealth Libraries by October 1 of the following year.

IV. Revenue and Accounts Receivable

- A. Cash donations and payments shall be recorded and included as part of the circulation desk cash drawer.
- B. Checks received at the circulation desk will be recorded and included as part of the cash drawer.
- C. Checks received by mail or as part of the fund drive will be recorded by the director and submitted to the bookkeeper.
- D. Deposits will be made at least monthly.

V. Expense and Accounts Payable

- A. Purchases

All purchases must be approved by the director in accordance with the budget set by the board. Unbudgeted purchases over \$500 require board approval.

B. Invoice Approval and Processing

All invoices must be authorized by the director prior to payment. Invoices should be initialed and dated by the director and submitted to the bookkeeper to process payment.

C. Petty Cash

1. A petty cash fund will be kept in a locked cabinet.
2. This fund will be supervised by the director.

D. Circulation Desk Cash Drawer

1. Any staff member working at the circulation desk is responsible for the contents of the cash drawer during their shift.
2. The cash drawer will be counted during each shift and recorded on the daily worksheet.
3. All transactions made at the desk must be recorded on the daily worksheet.
4. No funds should be removed from this drawer for any purpose other than the routine deposits.

E. Expense Reimbursements

1. Employees, board members, and volunteers may be reimbursed for library related expenses and mileage.
2. Reimbursement requests must be preapproved by the director.
3. Receipts must be submitted in order to process the reimbursement.

VI. Federal Grants

A. Federal grant funds will be deposited in a non-interest bearing account.

B. Invoices

1. The library director will prepare expense invoices to be submitted for grant reimbursements.
2. Reimbursement invoices will be approved by the board president, vice president, or treasurer.

C. The director will be responsible for the following grant requirements:

1. Ensure all claims are filed by the deadline.
2. Verify that goods were received and services were performed.
3. Verify validity of expenses as allowable costs.