

**ACCOUNTING MANUAL**

**Table of Contents**

<b>Fiscal Procedure</b>	<b>Sequence</b>
<i>Treasurer Responsibilities – Retired, see policy 500-3</i>	<i>Procedure A</i>
<i>Maintenance of General Ledger – Retired, see policy 500-3</i>	<i>Procedure B</i>
<i>Financial Statements– Retired, see policy 500-3</i>	<i>Procedure C</i>
Financial Signature/Review Policy	Procedure D
Insurance Protection	Procedure E
Payroll Procedures	Procedure F
Memorials and Donations	Procedure G
Petty Cash and Receipts	Procedure H
Cash Register Procedure	Procedure I
Claims Auditor Policy	Procedure J
Payment of Bills	Procedure K
Online Banking	Procedure L
Debit Card Policy	Procedure M
Meals & Refreshment Policy	Procedure N

Procedure D  
Financial Signature/Review Policy

During each annual meeting, or as necessary, the following procedures will be performed.

1. The Board of Trustees shall approve new signers to each bank account.
2. The Board of Trustees shall approve any new and necessary bank accounts.
3. As required, new signers shall complete the appropriate signature card.
4. Name, address and telephone directory of Board of Trustees and officers will be obtained from the Board Secretary.
5. Recommended changes of the current accounting procedures should be approved.
6. All financial institutions should be notified of any changes to the authorized signers of the accounts within three (3) business days.

Procedure E  
Insurance Protection

1. An insurance policy will remain in affect to cover loss by destruction or damage to the library building or contents, liability, or crimes.
2. Once a year the Audit Committee will verify that the insurance premiums have been paid for insurance coverage towards 1) Commercial Application, 2) Property, 3) General Liability, 4)Equipment Floater, 5) Workers' Compensation, 6) Umbrella, and 7) Officer Liability.
3. Once a year the Audit Committee will review existing insurance coverage and endorsements, the amount of insurance, and premiums. Any recommendations to changes in coverage will be made to the Board of Trustees.
4. Claims for the following must be reported promptly, by contacting the insurance agency.
  - A. FIRE – In the event of fire call 911 immediately.
  - B. THEFTS AND VANDALISM – In the event of losses or damage to property contact the Sherriff's Office by calling 911 immediately. Only the police are authorized to conduct an investigation or take action regarding criminal acts such as theft or vandalism.
  - C. DISHONESTY OF EMPLOYEES - Report losses immediately to the Sherriff's Office and/or Audit Committee. Indicate the circumstances of the loss, the date of loss, location, and the amount of the loss. Once a loss due to the dishonesty of an employee becomes known, the insurance company may not pay for any future losses caused by such employee; there is a duty to report claims promptly and take action to prevent or reduce further loss.
  - D. LIABILITY OR INJURY TO NON-EMPLOYEE - Upon becoming aware of an incident which might lead to a liability claim and when a claim for liability is received, immediately notify the Library Director. The Director should contact the insurance agency.
  - E. EMPLOYEE INJURY - Report injuries promptly. All other injuries (other than First Aid) must be reported immediately. Contact the the insurance agency for details in filing a workers compensation claim or New York State Workers' Compensation Board at <http://www.wcb.state.ny.us/index.htm> when additional support or instructions are required.
5. Every few years the Library Director should request insurance quotes for coverage from at least 2 insurance companies in addition to the current provider. Quote requests should be sent via certified mail to show proof of request.

Procedure F  
Payroll Procedures

1. Timesheets are to be prepared by all staff persons and submitted biweekly. Time should be input on a daily basis and, if in writing, completed in ink. Correction fluid should never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.
2. Timesheets are to be signed by the staff person and his/her supervisor.
3. All approved timesheets should be submitted to the Library Director, who will verify the hours worked against his/her record.
4. The Library Director should then process the time and report the information to the payroll service. The information reported should include: hours, sick leave, vacation leave, and holiday pay.
5. NYS Employee Retirement data should be reported by the Library Director prior to the 7<sup>th</sup> of each month for the prior month.

Procedure G  
Memorials and Donations

1. Memorial gifts will be deposited directly into the memorial account in the general ledger.
2. Each gift will include a description in the ledger with the donor name and memorium designation in addition to the amount.
3. The name of the donor will be recorded in the memorial book and an acknowledgement will be mailed including the donation amount to be used for tax purposes.
4. Donations, designating monetary gifts, will be handled in the same manner as memorials.
5. Donors of gifts other than cash will be offered a receipt equivalent to the value of the items donated.
7. All monetary donations will be deposited within a week of receipt

Procedure H  
Petty Cash and Receipts

**Petty Cash Ledger**

1. Petty Cash drawer will have a maximum balance of \$100
2. When cash is taken for a purchase
  - A. Enter the date
  - B. Enter the purpose – ie: program supplies
  - C. Enter the amount spent
  - D. Enter the new balance of the drawer
  - E. Initial the entry
  - F. Place receipt for the purchase in the drawer
3. At end of each week, 2 staff members will count the balance in the drawer and compare to the balance on the ledger and initial.
4. As needed:
  - A. Attach all receipts to the ledger page and submit to Library Director for review
  - B. The Treasurer will reimburse the petty cash drawer for the total of the receipts, returning the drawer balance to \$100
  - C. Begin new ledger sheet

Procedure I  
Cash Register Procedure

1. Receipts or register tape must be issued for all payments received, the receipt should include the date, payee, reason and amount. If a check is received the receipt should include the check number.
2. Each employee that places cash in the cash register should have their own unique register code.
3. On a daily basis, two employees must count the cash collected and compare the total to the cash register tapes.
4. The daily register tape must be attached to the Daily/Weekly Income Log (Appendix 1J) for that week.
5. When cash is transferred from one employee to another the receiving employee must count the cash in front of the employee handing it over and both get a copy of a duplicate receipt.
6. Each night the highest ranking employee on duty must remove monies from the cash register and place it in the locked safe.
7. Each morning the highest ranking employee on duty will setup the cash drawer with \$50 and the balance of the monies received previous day will remain in the safe until the time that it is deposited in the bank.
8. Bank deposits will be made within a week of money being received.
9. At the end of each week the following items are entered on the Daily/Weekly Income Log. a journal entry is made by the Treasurer
  - A. Date
  - B. Source of income – ie: fines, refund, etc.
  - C. Amount received
  - D. Initial the entry
10. Weekly the highest ranking employee on duty will:
  - a. Total the amount received
  - b. Attach any check stubs to the Daily/Weekly Income Log Spreadsheet
  - c. Make deposit for the total amount, returning the drawer balance to \$50
  - d. Attach deposit receipt to the ledger page and submit to the Treasurer
  - e. Begin a new ledger sheet for the next period

Procedure J  
Claims Auditor Policy

The Claims Auditor will be appointed by the Board to ensure that all expenditure vouchers are properly itemized and documented before payments are made. To maintain the position's independence, the claims auditor will be someone who is independent of both the purchasing and check signing functions.

Responsibilities:

Approves vouchers and invoices submitted to the library system prior to their payment. Ensures proper documentation and itemization are provided and that payment is for proper library system purposes. □

Indicates his or her approval of claims by signing or initialing each individual voucher, which will then be forwarded to the Business Manager for the preparation of checks and to the Treasurer for approval.

Audit Checklist:

1. The voucher packet includes an original invoice.
2. The invoice specifies the description and price of the items specified on the purchase order.
3. The purchasing agent's signature authorized the release of the purchase order.
4. No unauthorized taxes are paid, discounts are taken, and shipping charges where applicable, are accurate.
5. There is a receiving signature indicating work has been completed and/or materials were delivered satisfactorily.
6. Charges are not duplicates of items already paid.
7. The proposed payment is for a valid and legal purpose.
8. The unit price billed on the invoice does not exceed the bid or contract authorization.
9. A contract or purchase order is on file supporting the amount paid.
10. There is supporting documentation if the expenditure was required to be bid.
11. There is evidence the library system policy was followed (written or verbal quotes were obtained) if the expenditure was not required to be bid.
12. The expenditure complies with Board policy (e.g., travel and conference reimbursements, meals and refreshments, credit card use).
13. Contract provisions and/or Board minutes support invoices for professional services.
14. Shipping address is Pioneer Library System address.
15. The batch printout corresponds with all voucher/invoice packets; check corresponding voucher numbers on each invoice, vendor information and total to be paid. Initial your certification to each entry on the batch printout as well as on each voucher/invoice. Initial your certification of total batch expenditures.
16. Report any findings or concerns to the Board President.



Procedure K  
Payment of Bills

The fiscal year of the Red Jacket Community Library shall run from July 1 through and including June 30.

Bills incurred by the Red Jacket Community Library shall be presented to the Claims Auditor who will authorize payment on behalf of the Board of Trustees. After such approval, the Library Director will sign each check used for payment.

The Board Treasurer, or another Board-authorized signatory, will co-sign any check for more than \$1,000. Vouchers for payments will be made available to the Board of Trustees at each regular Board meeting in a manner prescribed by the Board of Trustees.

The warrant of all payments made will be reviewed and approved by Board motion as is appropriate.

The Director may authorize pre-pay payroll, withholding taxes, payroll taxes, and biweekly payroll service charges from the Operating Checking account through an account debit by the payroll service. A report of any such payments will be approved by the Treasurer and made to the Board of Trustees at the next regularly scheduled Board Meeting.

For any month where there is no board meeting the Director may authorize pre-payment of bills with a check signed by the Director and co-signed by the Treasurer (or another authorized Board member). A report of any such payments will be made to the Board of Trustees at the next regularly scheduled Board meeting.

Procedure L  
Online Banking

The Red Jacket Community Library has entered into a written agreement with Canandaigua National Bank and Trust for online banking services. Unique id's and passwords are individually secured. Online banking will only take place on the Library Directors computer.

The Library Director serves as the administrator on the account. The Treasurer is a sub-user on the account. The Board President is a view-only sub-user on the CNB account.

All deposit accounts are held at Canandaigua National Bank. Internal account transfers, stopping payment on a check, and printing/viewing statements are authorized activities. Wire transfers and electronic payments to vendors are not allowed, except debits in the following instances:

- Paychex is authorized to debit from Payroll Checking the amount of bi-weekly payroll, payroll taxes, and the payroll service fee per the submitted payroll file.
- NYS Retirement is authorized to debit from Payroll Checking the employee contributions withheld from employee's paychecks per the Monthly Retirement Report.

Procedure M  
Debit Card Policy

The Red Jacket Community Library provides for restricted use of a debit MasterCard pursuant to the Red Jacket Community Library's Procurement Policy to facilitate the daily operations of the Library. All purchases must be Red Jacket Community Library use and benefit only. The debit card may not be used for the purchase of personal items, alcoholic beverages or tobacco products.

Procedures for credit card use:

The library system a debit MasterCard to the Library Director. All employees issued a credit card shall sign a Credit Card Use Agreement.

All purchases and expenditures of Red Jacket Community Library funds must be within approved budget guidelines. Red Jacket Community Library procurement procedures require the use of a purchase order, receipt of goods or services, and subsequent payment from an invoice whenever possible. However, occasionally, purchases can only be made with the use of a debit card.

All charges require itemized receipts/invoices with the purchase order number and employee's name to be promptly submitted to the Treasurer. If the card is used for online purchases, the transaction confirmation page from the site is to be printed and submitted.

Procedure N  
Meals and Refreshment Policy

From time to time, meals and/or refreshments may be deemed appropriate for a particular meeting, event or situation that is being held for business purposes.

In such instances, the purchase order procedure should be followed with as much detail as possible. All food should be provided using our sales tax exempt status. Additional delivery and tip charges will be allowed. The employee accepting food should indicate initials, date and purchase order number on all receipts or invoices.

Examples of authorized categories of expenditures include but are not limited to refreshments for programming, refreshments for meetings of the Red Jacket Community Library Board of Trustees that are expected to exceed two hours, meals for Red Jacket Community Library staff meetings that are expected to exceed two hours, and meals or refreshments at other meetings at which Library business is conducted.

Conference/Travel Meal Costs:

Meal costs (excluding alcoholic beverages) for travel-related approved conferences shall be regulated by board approval. The Red Jacket Community Library allows \$30 per day for meals for employees attending out-of-system conferences. In all instances, itemized receipts must accompany the request for reimbursement.