

TRUSTEE RESPONSIBILITY

Fiscal Oversight

- I. STATEMENT** The Board of Trustees shall consult with the Library Director and Treasurer for input and advice on fiscal matters, yet retain responsibility for governance of the Library's resources in their primary role of protecting the public interest.
- II. PURPOSE** To ensure that financial resources are being used in compliance with regulations toward meeting the Library's mission and goals, and to define processes for creating a budget and monitoring budget processes and financial statements.
- III. POLICY**
- A. BANK SIGNATURES**
1. At the annual meeting, or as necessary, the Board of Trustees shall authorize signatories on bank accounts. Designated signatories shall be the **Library Director, Board President, and Board Vice President**.
 2. The **Library Director** is designated as Online Banking Administrator.
 3. Bank officials must be notified of any changes to the authorized signatories and new signature cards shall be filed and certified with the bank within three (3) days of the election or appointment of new officers.
- B. BUDGET DEVELOPMENT**
1. The Red Jacket Community Library operates on a fiscal year that begins on July 1 and ends on June 30.
 2. The Library Director is designated as the budget officer and must draft a preliminary operating budget in January for the subsequent fiscal year, for discussion and further development with the Treasurer, President, and Finance and Audit Committee.
 3. Revenue and expenditure estimates should be based on prior years' operating results, past expenditure trends, anticipated future needs, and available information related to projected changes.
 4. As part of the annual budget process, cash balances shall be monitored to forecast end-of-year unassigned fund balance to meet upcoming cash flow needs, meet capital needs, and offset income requirements.
 5. The Board of Trustees must adopt a budget at, or prior to, the March board meeting.
 6. If the adopted budget includes an increase in tax revenues over the previous year's budget, it must be proposed to the eligible voters of the school district for a vote during the month of May, typically on the first Monday.
 - a. Public notice of a vote to increase the tax levy must be published once in each of the two weeks preceding the vote in two newspapers published in Ontario County.
 - b. A public information meeting must be held on the proposed budget within the month of April.
 - c. Copies of the proposed budget must be available in the library during regular hours of operation for 14 days preceding the date of the budget vote.

- d. The Library Director must report the results of the budget vote, including taxes to be levied, to the District Clerk of the Manchester-Shortsville Central School District within three (3) days after the budget vote and election.
7. A consolidated version of the board-approved budget, showing budget categories, must be published on the library website. The Library's annual budget shall be available to the public upon request.

C. BUDGET MONITORING

1. Budget performance shall be reviewed at monthly board meetings to detect potential budget line shortfalls and ensure expenditures stay within annual budget appropriations.
2. Proposed budget amendments may be recommended to the Board of Trustees by the Library Director, Treasurer, or Finance and Audit Committee. Any budget modification must be authorized by a board resolution, and the resolution must stipulate both the appropriation account(s) to be increased and financing source(s) to support the modification. After approval by the Board of Trustees, all budgetary amendments shall be journalized by the Treasurer and posted to the appropriate general ledger and subsidiary accounts. Precedence of budget transfers shall occur in the following order:
 - a. Appropriating unrestricted funds, dedicated or assigned for specific purposes and consistent with the Unrestricted Fund Balance Policy.
 - b. Transferring from the unexpended balance of other appropriation account(s) to the appropriation account needing funding.
 - c. Transferring from the contingency account to the appropriation account needing funding. Expenditures may not be charged directly to the contingency account. Using the contingency account reallocates funding and does not increase the original budget. Contingency appropriations may be transferred to another appropriation account only for unexpected expenses beyond the planned operating budget.
 - d. Appropriating unreserved fund balance or unanticipated revenues, received or expected to be received, to the appropriation account needing funding.

D. INDEPENDENT FINANCIAL REVIEW

1. In accordance with the Procurement Policy the library shall request quotations or issue a request for proposals for accounting services about every five years (fiscal years ending in 2 and 7).
2. The Board of Trustees shall consider quotations or proposals from certified public accountants (CPA) or accounting firms.
3. The CPA must prepare a written report, including an opinion on the financial statements, at the close of each fiscal year. The CPA shall also be responsible for preparing and filing IRS Form 990: Return of Organization Exempt from Income Tax. These services must be done in accordance with generally accepted government accounting principles and in conformity with the requirements of the New York State Office of the Comptroller.
4. Before the close of each fiscal year the Board of Trustees shall authorize the Treasurer to retain the services of the designated CPA or accounting firm.
5. The Board Secretary shall make available to the CPA a name and address directory of all elected and appointed officers of the Red Jacket Community Library during the tax year.

IV. REFERENCES

- A. Office of the New York State Comptroller (2016). *Local Government Management Guide: Understanding the Budget Process*. Division of Local Government and School Accountability 110 State Street, Albany, New York 12236. Retrieved from <https://www.osc.state.ny.us/files/local-government/publications/pdf/budgetprocess.pdf>.
- B. Office of the New York State Comptroller (2014). *Local Government Management Guide: Fiscal Oversight Responsibilities of the Governing Board*. Division of Local Government and School Accountability 110 State Street, Albany, New York 12236. Retrieved from: https://www.osc.state.ny.us/files/local-government/publications/pdf/fiscal_oversight.pdf

Revision History	
11/16/2020	Replaces policy 400-8 and policy 500-1 Procedure D