



200-06 Fiscal Oversight Policy

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.

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.

POLICY

BANK SIGNATURES

- 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.
- The Library Director is designated as Online Banking Administrator. (Reference Policy 500-1 Online Banking)
- 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 five (5) business days of the minutes being available specifying election or appointment of new officers. These minutes should be provided to the bank on official Library letterhead.

BUDGET DEVELOPMENT

- The Red Jacket Community Library operates on a fiscal year that begins on July 1 and ends on June 30.
- 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 Committee.
- 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.
- As part of the annual budget process, cash balances shall be considered when forecasting the end-of-year unassigned fund balance to meet upcoming cash flow needs, meet capital needs, and offset income requirements.
- The Board of Trustees should adopt a budget between April 1st and June 30th, according to New York Education Law Section 260.. The process followed is as outlined in New York Education Law Section 204 and the process is detailed in the yearly Budget Planning Vote and Election Calendar. 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.

- 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.

BUDGET MONITORING

- Budget performance shall be reviewed at monthly board meetings to detect potential budget line shortfalls and ensure expenditures stay within annual budget appropriations.
- Proposed budget amendments may be recommended to the Board of Trustees by the Library Director, Treasurer, or Finance 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.
- The operating, or general fund is the account from which the library's day-to-day income and expenses are received and disbursed and is usually the account through which almost all receipts pass through. This is the primary fund for the library's annual budget. As noted above, however, even the best budgets are planning tools and subject to change due to unexpected circumstances. In that event, Boards are advised to transfer funds between budget lines, or from other funds, as per their budget amendment policy and procedures as necessary to meet their revised needs. This should be done prior to over expending a particular budget line, or in advance of anticipated expenditures.

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INDEPENDENT FINANCIAL REVIEW

- In accordance with the 500-4 Procurement Policy the library shall request quotations or issue a request for proposals for accounting services approximately every five years.
- The Board of Trustees shall consider quotations or proposals from certified public accountants (CPA) or accounting firms.
- 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.
- 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.
- The Treasurer 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.

REFERENCES

- 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>.

- 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
- Nichols, J. (2018). *Handbook for library trustees of New York State* (2023 ed.). Pgs 76-77
- *N.Y. Education law section 2004 – Notice of annual meeting in union free school district* (2025). (n.d.). NewYork.Public.Law. Retrieved October 21, 2025, from https://newyork.public.law/laws/n.y._education_law_section_2004

	Revision History
11/16/2020	Replaces policy 400-8 and policy 500-1 Procedure D
12/17/2025	Added cross-references to other policies; adjusted dates/times; updated budget monitoring based on Handbook for Library Trustees and added this as a reference.