



Westerville Public Library

Fiscal Policy Manual

As revised and adopted by the Board of Trustees

October 22, 2019

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Calendar of Annual Fiscal Events

Date	Event
January Board Meeting	Library Board takes the following actions: 1. Appoints the Fiscal Officer and Deputy Fiscal Officers; 2. Approves surety bonds for the Fiscal Officer and Deputy Fiscal Officers; 3. Approves a resolution for signatures of the Board President and Fiscal Officer on checks; 4. Appoints members to the Finance and Facilities Committee. 5. Appoints Compliance Officer to review all credit card accounts.
January (after closing previous fiscal year)	Certificate of the Total Amount From All Sources Available for Expenditures and Balances due to County Auditor
February 28	1. Annual Financial Report for previous fiscal year due to Auditor of State. 2. Finance Committee review of Credit Card Policy (Annual)
March Board Meeting	Library Board approves Annual Appropriation Resolution.
March	Finance Committee review of Fiscal Officer's goals (quarterly)
March 31	Annual Appropriation Resolution due to Franklin and Delaware County Auditors.
April	Review Emergency Management Plan (annual)
May Board Meeting	1. Library Board adopts Annual Budget ("Tax Budget") for following fiscal year; 2. Following adoption, Fiscal Officer files Annual Budget with School District and County Auditors.
June	Finance Committee review of Fiscal Officer's goals (quarterly)
July 20	Annual Budget ("Tax Budget") due to County Auditors.
July	Ohio State Tax Commissioner issues revised estimate of current year's Public Library Fund (PLF) collection and county entitlement.
August	County Budget Commissions do the following:

	<ol style="list-style-type: none"> 1. Meet on the first Monday to determine amount of PLF to be certified to each library for the next fiscal year; 2. Hold public hearing on Library's budget, if necessary.
August Board Meeting	Records Commission Meeting
September Board Meeting	Board adopts the Resolution Accepting the Amounts and Rates ... and Certifying Them to the County Auditor
September 1	Official Certificate of Estimated Resources from the County Auditors due to the Library.
September Board Meeting	Library Board review and approves the Ten-Year Budget Projection.
September	Finance Committee Review of Fiscal Officer's goals (quarterly)
October	Review Fiscal Policy Manual (annual)
November	Test Accounting Backup System (annual)
November	Finance Committee's annual review of Fiscal Officer goals and establish next year's goals
December	Ohio State Tax Commissioner issues revised estimate of the following calendar year's PLF collection and county entitlements.
December Board Meeting	<p>Library Board takes the following actions:</p> <ol style="list-style-type: none"> 1. Approves the Temporary Appropriation Resolution for following fiscal year; 2. Approves year-end appropriation modifications.
December 31	Temporary Appropriation Resolution (or Annual Appropriation Resolution) for following fiscal year due to County Auditors.

As needed: Entrance and Exit Conferences with Auditors

Cash Management

Deposit of Funds

The Fiscal Officer is responsible for receipting and depositing all funds on a regular basis in accordance with Ohio Revised Code section 9.38. The specific requirements for the deposit of daily cash receipts are as follows:

1. Whenever the total daily receipts derived from fines, copier, patron supplies, and other cash income exceeds \$150.00 at the end of any day, the Fiscal Officer or designee shall make a deposit to the bank the next business day.
2. Regardless of the aggregate amount of daily receipts accumulated, a deposit of daily receipts must be made at least every third business day.
3. Only staff members covered by the Library's bond insurance shall make deposits.
4. The Fiscal Officer shall implement internal controls, such as segregation of duties in the collection, posting, and depositing of all receipts, to minimize the possibility of fraud and shall create and enforce internal policies and procedures that restrict access to authorized individuals.

Cash Drawer Change Reserve Fund

A cash drawer change reserve fund will be maintained to keep a supply of small bills and coins on hand. The maximum amount in this fund shall be established by the Board of Trustees, and any increase or decrease shall require Board action. The cash drawer change reserve fund shall not exceed \$1,880.00.

The finance team prepares each cash drawer with the appropriate cash level and distributes the cash drawers to the designated locations each morning. When the employee working the drawer that day arrives, they confirm the appropriate cash level is present. At the end of the day the employee counts the drawer and returns it to finance with the total calculated which finance then verifies. This process insures accuracy and verification of cash levels at each handoff.

Petty Cash Fund

A petty cash fund shall be maintained to reimburse employees for small dollar amount purchases. The maximum amount in this fund shall be established by the Board of Trustees, and any increase or decrease shall require Board action. The petty cash fund shall not exceed \$200.00.

Petty cash disbursements are usually for small expenses (\$25.00 or less, unless approved for higher amount by Fiscal Officer) and shall be documented with receipts. A check is issued to reimburse the receipts. The petty cash fund will be balanced monthly.

Purchasing and Disbursement of Funds

Accounts Payable

All requests for checks or electronic payments to disburse Library funds must be submitted to the Fiscal Officer with the appropriate documentation, including the purchase order.

Public libraries in Ohio are exempt from state sales tax and most federal excise taxes. A Blanket Certificate of Exemption form should be completed and given to all vendors so that sales tax is not charged to the Library. Forms may be obtained from the Ohio Department of Taxation Web site (<http://tax.ohio.gov/>). Tax exemption numbers are not issued by the state of Ohio, so most libraries use the Library's state ID or Federal Tax ID on the Certificate of Exemption form.

Accounts payable checks are typically processed two to three times per month. Checks will not be processed on demand, unless an emergency situation is determined by the Fiscal Officer.

When physical checks are issued, they shall be signed by two signers: the Fiscal Officer and the President of the Board of Trustees. To avoid any theft of Library funds, the persons authorized to sign checks (in accordance with account signature cards on file with the bank) must not sign blank checks. Checks are pre-numbered for reconciliation and auditing purposes. Blank checks shall be kept in a secure location. Care must be taken to prevent duplicate payments to vendors.

A duplicate check copy shall be filed with a copy of the paid invoice and corresponding purchase order for audit purposes. Voided checks shall be retained, and the signature lines shall be removed or obliterated so the check cannot be cashed.

All non-employees are paid through accounts payable. They must have on file a current W-9 form and an Independent Contractor/Worker acknowledgement form for the Ohio Public Employees Retirement System before payment will be processed. Pursuant to the Internal Revenue Service instructions for Form 1099 miscellaneous income, if compensation is over \$600.00 in any calendar year, a 1099 will be issued, and income will be reported to the Internal Revenue Service.

The Fiscal Officer will take necessary steps with internal controls, such as segregation of duties, to minimize the possibility of fraud.

Payment of Invoices

The Fiscal Officer is authorized by the Library Board to pay approved invoices before each Board meeting. The list of the invoices most recently paid will be presented for ratification by the Board of Trustees at each regular Board meeting.

General Purchasing Policies

Only the Executive Director and Fiscal Officer have the authority to enter into purchase contracts, or in any way obligate Westerville Public Library. Any other such negotiations are considered as unauthorized purchases.

All purchase requests (other than those reimbursed through the Petty Cash fund) for supplies, equipment and services must be submitted on a purchase order form available from the Fiscal Officer. The form must be completed in detail, including receipts, if credit card was used, or other supporting documents that show detail and costs.

A purchase order represents the Library's agreement to pay for goods or services described in the purchase order. When accepted by a vendor, and in the absence of other controlling terms, a purchase order constitutes an agreement between the Library and vendor with respect to the stated goods and services.

Purchase orders are first submitted to the appropriate Department Manager and then submitted to the Executive Director or Assistant Director for approval. Final approval is completed by the Fiscal Officer or Deputy Fiscal Officer, who certifies that (a) the expense is legal, (b) that funds have been previously appropriated by the Board of Trustees, and (c) that monies are either available or in the process of being collected.

The following are guidelines for purchasing:

- Only the Executive Director and Fiscal Officer are authorized to sign contracts.
- All Library employees have an obligation to avoid any conflicts of interest or even the appearance of a conflict of interest.
- Sales calls shall be accepted by appointment only. Door-to-door solicitation and random calls will not be accepted.
- Compare/Contact more than one supplier whenever possible.
- Only a signed purchase order can obligate the Library.
- No gifts from vendors, beyond those of an advertising nature and of insignificant value, generally distributed to all potential customers, may be accepted by a Library employee. Any other personal acceptance of gifts and gratuities may result in disciplinary action or termination.
- Any "free gifts" obtained through the purchase of goods are the property of the Library. Gifts of money or goods received by an individual or department shall be reported to the Fiscal Officer. An example is, "buy 10 cartons of paper and get a free CD player." The CD player is the property of the Library. Note: This type of

purchasing is discouraged unless a direct benefit to the Library can be substantiated.

- As a political subdivision of the State of Ohio, purchases by the Library are exempt from state sales and use taxes, and from Federal excise taxes. A Blanket Certificate of Exemption is available from the Fiscal Officer.

Then and Now Certificate

Purchase orders should be initiated and approved prior to a commitment being made and before an invoice is issued by the vendor. In the event this procedure is not followed, the Fiscal Officer may make the decision to approve the purchase order by adding and signing a “Then and Now Certificate” with the following wording.

I hereby certify that the amount required to meet the payment for the above order at the time the order was made (then) and at the time I completed this certification (now) was available or in the process of collection to the credit of a proper fund, properly appropriated and free from any previous encumbrances.

Check Signing

Except for the use of a facsimile signature, as provided below, every financial document requiring a signature shall be personally signed by a person authorized to sign. The use of a rubber stamp of a Library employee is prohibited on all Library financial documents. A facsimile signature may be used solely for the signing of accounts payable, payroll checks, and purchase orders.

It is the responsibility of the Fiscal Officer to institute proper safeguards for the secure use of a facsimile signature. The Executive Director shall be informed of any unauthorized use of a facsimile signature.

Section 9.11 of the Ohio Revised Code states that notice of the adoption of a facsimile signature shall be given in writing to the depository from which funds are to be withdrawn. The notice shall include a description of the device to be used and a specimen of such facsimile signature. Prior to use of such facsimile, the written approval of such depository must be obtained.

ACH Payment Transactions

In certain instances, Automated Clearing House (ACH) debit transactions are permitted for payment of payroll taxes and related payroll transactions, and payments to the State of Ohio. The Fiscal Officer must approve authorization for the set-up of ACH debit transactions.

Credit Cards Assigned to Employees

The acceptance and use of an individually assigned credit card requires compliance with all of the following terms and conditions but not limited to:

1. The use of a credit card is limited to the Library employee whose name appears on the face of the card. The credit card should not be loaned to another person under any circumstances.
2. Each cardholder is responsible for the security of the card issued to that individual. Precautions should be used to maintain confidentiality of all information relating to the card, such as the account number and expiration date.
3. Credit cards are the property of the Library and must be returned to the Fiscal Officer upon termination of employment with the Library.
4. Westerville Public Library is exempt from State of Ohio sales tax because it is a political subdivision of the State of Ohio. As such, any sales tax paid will not be reimbursed to the cardholder. It is the responsibility of the Cardholder to obtain a tax-exempt certificate from the Fiscal Officer before the purchase is made.
5. Accumulated benefits associated with credit cards, such as frequent flyer miles, are the property of the Library and will not be used by employees without prior authorization.

Please see Credit Card Policy for additional information.

Major Purchases and Bidding Procedures

Request for Proposals for Goods or Services

The Executive Director, the Executive Director's designees, and Fiscal Officer are authorized to negotiate contracts or agreements for goods or services for the Library.

Only the Executive Director and Fiscal Officer are authorized to sign contracts. Before a contract is entered on behalf of the Library, the Fiscal Officer shall verify that the expense is a legal expenditure of Library funds and that adequate funds to cover the contract have been previously appropriated by the Board.

Over \$50,000.00

The Library Board shall follow the formal bidding procedures outlined in Ohio Revised Code (ORC) section 3375.41 when it "determines to construct, demolish, alter, repair, or reconstruct a Library or make any improvements or repairs, the cost of which will exceed fifty thousand dollars (\$50,000), except in cases of urgent necessity or for the security and protection of Library property."

Over \$25,000.00

The Library Board of Trustees shall approve any individual item purchases not already approved or listed in the budget or appropriations, which exceed \$25,000. The Executive Director shall approve the purchase in advance and then forward a recommendation to the Library Board of Trustees.

Over \$5,000.00

For purchases not falling under the requirements of section 3375.41 of the Ohio Revised Code, quotations for prices are required for the purchase of any good or service over \$5,000 in total. Contracts with one vendor for a similar good or service cannot be split with the intent to avoid satisfying this requirement. To purchase goods or services over \$5,000 in total the Library must secure at least two written quotes from two different vendors, with three quotes preferred. If it is determined by the Executive Director that there is only one vendor that specializes in this type of good or service, a quotation from only one vendor will be acceptable. Quotations shall be evaluated based on the lowest and best quote. State and government prices will be requested.

When requesting quotations the Library shall set a firm date and time deadline for vendors to submit quotes. To ensure that all quotations are considered fairly and equally, the Library will not divulge the quotes received prior to making the purchase decision. Managers are responsible for choosing the best possible quote and attaching all quotes following regular purchasing policies.

Final selection of quotations for goods and services will be those that are in the best interest of and/or represent the best value to the Library.

The only exceptions to the \$5,000 threshold are:

- Telecommunications services which are governed through the Universal Services Administrative Company (USAC) federal E-rate program for public libraries
- Proprietary software systems and support agreements used by the Library
- Goods and services purchased through the Ohio Cooperative Purchasing Program
- Ongoing purchasing of Library materials
- Legal services for administration

Emergencies

In cases of emergency or to secure the protection of Library property or staff, the Library Board of Trustees authorizes the Executive Director and Fiscal Officer to secure goods and services without prior Board approval.

Examples of emergencies include fires, floods, storm damage, significant theft or damage to building or property. In these situations, details of the emergency and the resulting agreement or contract must be provided to the Board of Trustees at the next regular meeting.

Design Professional Selection

The Library shall follow the obligations established by Revised Code sections 153.65 to 153.80 when engaging the services of a design professional. The Library will require every construction manager on a project to provide certain specified evidence of financial stability. The Library will comply with the Ohio laws governing architectural, engineering and surveying services.

Complying with Prevailing Wage Rates

The Library shall adhere to Ohio law in determining whether a new construction project, repairs or improvements to existing structures are subject to prevailing wages. See Revised Code section 4115.

The bid specifications shall contain the latest schedule of prevailing wage rates, if applicable. Requests for the schedule shall be sent to the Ohio Department of Industrial Relations, Division of Prevailing Wage, Columbus, Ohio.

Public Bid Opening

The Fiscal Officer or designee, shall conduct public bid openings as required by the Ohio Revised Code, Section 3375.41. Each bid shall meet the requirements of section 153.54 of the Revised Code.

The Board may by resolution provide for the public opening and reading of such bids by the Fiscal Officer, immediately after the time for filing such bids has expired, at the usual place of meeting of the Board, and for the tabulation of such bids and a report of such tabulation to the Board at its next meeting.

Notice of award must be furnished to the surety posting the performance bond as required in section 9.32 of the Revised Code.

Employee Fiscal Policies

Payroll

The Fiscal Officer shall implement payroll procedures to accomplish the efficient and accurate processing of payroll and the maintenance of proper records.

Payroll shall be processed on a monthly basis for all employees. The Fiscal Officer and/or Deputy Fiscal Officers will collect timesheets (or their electronic equivalent) from the Human Resources department, compute payroll, prepare reports, and remit local, state and federal taxes, and other required payments, including the Ohio Public Employees Retirement System, the Ohio Public Employees Deferred Compensation Program, the Ohio Bureau of Workers Compensation, wage garnishments, health/medical/dental/life insurance, and others as needed. The Library shall make payment by direct deposit for all employees.

Employee Reimbursements:

When an employee requests reimbursement for expenditures relating to Library programs, travel, mileage, or other Library expenditures, an expense request form, with detailed receipts attached, must be completed and given to the Fiscal Officer. These expenditures shall be pre-approved, as outlined in other sections of this manual, and reimbursement shall proceed in accordance with the Accounts Payable section of the manual.

Sales tax will not be reimbursed, if paid, except for sales tax on meals. Hotel/motel excise taxes will be reimbursed if paid. (Sales Tax Blanket exemption forms are available from the Fiscal Officer.) The Fiscal Officer may make reimbursement from the Petty Cash Fund when appropriate.

Mileage Rate Allowance

A mileage rate for employees driving on authorized Library business in accordance with operational policies is approved at the current IRS approved rate. The Fiscal Officer shall review the rate allowance annually for any revisions by the IRS. The Operations Manual policy shall be revised, as necessary, to reflect the current mileage rate.

Library Patron Fiscal Policies

Patron Refunds

The Library may refund money to a patron for an item that was lost and paid for (the initial payment date) and then later returned under the following conditions:

1. Item must be returned in good condition.
2. Item must be returned no later than six weeks after the initial payment date.

If these conditions are met the Circulation Supervisor may authorize a refund for the replacement cost of the item minus a \$5.00 processing fee. The processing fee is equal to the Library's cost to process items. Any current fines or fees are to be deducted from the refund total.

Returned Check Policy

When a check that is written to Westerville Public Library is returned from the bank because of insufficient funds, the following steps will be taken by the Fiscal Officer.

1. If the check was written for payment of fees/fines on a patron account, the amount of the returned check shall be added back to the patron's account, along with the amount that the bank will charge the Library's account. The patron will be sent a letter regarding the action taken and the amount due.
2. Collection on the account must be made by cash or confirmed funds.
3. If the check was written for a purpose not directly associated with a patron account, the Fiscal Officer shall initiate whatever action is deemed appropriate to satisfy the debt.

Delinquent Patron Account Processing

Please see the "Fines and Fees" section of the Library's Public Services Policies.

Patron Bankruptcy

Please see the "Bankruptcy" section of the Library's Public Services Policies.

Library Donation and Gift Policies

Please see the “Gifts and Donations” section of the Library’s Public Services Policies.

Library Donation Acknowledgement Procedure

The Library will follow the requirements of IRS Publication 1771 by:

- 1) Providing written disclosure to a donor who gave a single cash payment in excess of \$75 in exchange for being provided some goods or services. (Example: An event ticket was \$100 but the participant received a book valued at \$30.)
- 2) Providing written acknowledgement to a donor who gave a single cash contribution of \$250 or more with the statement that no goods or services were provided by the organization in return for the contribution.
- 3) Providing written acknowledgement to a donor of a non-cash contribution with a description of the item but with no value assigned with the statement that no goods or services were provided by the organization in return for the contribution.

Library Budgetary Policies

Library Fiscal Year

The Fiscal Year is the calendar year, beginning January 1 and ending December 31.

Appointment of Fiscal Officer

The Finance and Facilities Committee shall make an annual recommendation to the full Library Board of Trustees for the appointment of the Fiscal Officer.

The Board of Trustees shall take action in January to appoint the Fiscal Officer, and the Fiscal Officer and the Deputy Fiscal Officers shall take the annual Oath of Office.

The Fiscal Officer shall be the treasurer of Library funds. The Fiscal Officer will attend all required training recommended by the State of Ohio.

Sources of Funding

The Board of Trustees of the Westerville Public Library shall request from the Franklin County Budget Commission sufficient funds to provide qualified staff, proper physical facilities and equipment, and a comprehensive collection of materials sufficient to meet the essential needs of its population. This request shall be made by filing the Library's Annual Budget (also known as the Tax Budget) with the Franklin County Auditor no later than July 20 for the following Calendar year's Budget (see Revised Code 5705.30).

Local Property Tax Revenue. At the start of each calendar year, the Board may, by resolution, authorize the Fiscal Officer to request local tax levy advances as they become available. If the authorization is approved, a copy of a resolution shall be provided to the Franklin County Auditor's office. These funds shall be automatically electronically deposited into the Library bank account.

Public Library Fund Revenue. The State of Ohio Public Library Fund issues monthly payments to the Library, either by check or electronic fund transfer, from the Franklin County Auditor's Office and the Delaware County Auditor's Office. These amounts are based on a local formula which divides Franklin County's share and Delaware County's share of the Public Library Fund for each county's Library systems.

Chart of Accounts

The Fiscal Officer shall establish the Chart of Accounts sufficient to meet the requirements of the State Auditor. After the Chart of Accounts has been approved by the Board of Trustees, the creation of new funds, objects, and characters must be approved

by the Board. Accounts may be created within each character at the discretion of the Fiscal Officer.

Internal Fund Allocation Policy

The goal and the purpose of allocating base funding to Library areas is to work toward quality service for all persons served by the Library. In the Strategic Plan and in both the Executive Director and Fiscal Officers annual goals, the Trustees outline both current services and future services which should be considered annually during the allocation process. Annually, consideration should also be given to the needs and desires of the department managers which should be requested and documented.

Budgetary Funds

The purpose of this fund balance policy is to enable realistic long-term planning, to assist with effective development of annual budgets, and to promote clear communications with the general public, staff, and administration. There shall be four fund types: the General Fund, the Building Fund, the Reserve Fund, and Special Funds, which are created as needed.

General Fund

The General Fund is primarily funded through monthly Public Library Fund and Property Tax receipts. The General Fund shall be budgeted to provide for a carry-forward fund balance of at least three months of operating expenses for the purpose of covering expenditures and encumbering funds. It is the Board of Trustees intent to reserve in the general fund an amount not to exceed:

- Amount to fund all year-end encumbrances
- Amount to fund vacation/sick leave pay-out liabilities

Building Fund

The Building Fund will be funded sufficient to meet the long term needs for facilities repair and new construction of facilities.

The Building Fund balance will be annually reviewed with the Library's Finance and Facilities Committee, as well as, the Library Board of Trustees to assess the current and anticipated capital needs of the Library and determine amounts to be retained in the Building Fund.

This Building Fund is designated by the Board of Trustees for stated purposes, but is unrestricted and can be transferred back to the General Fund if needed for budgetary emergencies. Some examples of such designation includes: Remodeling projects, Deferred Maintenance for HVAC/Roof/Other Building repairs, land purchases.

Reserve Fund

A Reserve Fund shall be established by March 31, 2018 to protect against long term revenue shortfalls projected in the Ten-Year Budget Projection. The Reserve Fund will account for long term differences until a permanent solution can be put in place. The General Fund holds at least three months of operating expenses, which is the short term solution for timing differences in payables and receivables.

The amount to be retained in the Reserve Fund shall be determined by the Board each year when the Ten-Year Budget Projection is reviewed and approved at the September Board meeting. The guidelines to determine this amount shall be:

- 100% of the deficit expected in next year; plus
- 75% of the deficit expected in the following year (year 2); plus
- 50% of the deficit expected in the following year (year 3); plus
- 25% of the deficit expected in each of the following two years (years 4 and 5)

These guidelines allow for adequate budget reductions to be spread out over longer periods so as not to affect the liquidity of the General Fund in the short term.

Special Funds

Special revenue funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Debt service funds are used to maintain balances in conformity with legal requirements and sufficient to pay all the annual debt obligation agreements.

Permanent funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the purposes of the Library.

Transfer from Fund to Fund

The Library Board has the authority to pass a resolution to transfer money from one fund to another, as cited in the 1982 Attorney General's opinion no. 82-056. Such authority shall be exercised through a resolution of the Library Board upon the recommendation of the Fiscal Officer or Executive Director.

The Annual Appropriations Budget

The Process

The Library Board adopts a temporary appropriations budget by January 1st of each year in order to continue spending funds. A permanent budget resolution must be adopted and reported to the School Board and the County Auditor no later than March 31st.

Total appropriations for each fund cannot exceed total resources available on the Official Certificate of Estimated Resources from the County Auditor. Appropriations can be amended any time during the fiscal year by Board resolution, but cannot exceed total resources as listed on the Amended Official Certificate. These resources include both estimated revenues and fund balances.

The County Budget Commission meets in August to determine the amount of the Public Library fund estimate and the distribution to the other libraries in the county. The distribution of Franklin County funds is determined by a funding formula agreed to by all the libraries in Franklin County, and the distribution of Delaware County funds is determined by a separate agreement in Delaware County.

The form entitled “Certificate of Total Amount from All Sources Available for Expenditures and Balances” is completed by the Fiscal Officer as soon as possible after the fiscal year end and is sent to the County Auditor’s office to report any actual unencumbered fund balances and to adjust estimated revenues if necessary.

A maximum of 3% of the Library’s total budget, per Revised Code section 5705.29(A) (1), can be budgeted by the Library in a contingency account. The contingency allows the Library Board to temporarily appropriate monies for unexpected disbursements during the fiscal year. The Fiscal Officer’s recommendation is subject to approval of the Board, when passing the Annual Appropriations. Monies cannot be expended from the contingency appropriation character, but can be transferred to any other appropriation character by Library Board action.

Budgetary Levels of Control

The Budget shall be accounted for by describing large groups of expenditures referenced with four numerals, having three trailing zeroes (i.e. PERSONNEL, 1000; PURCHASED SERVICES, 3000; etc.). This largest Budget grouping shall be termed the OBJECT Level. Within each OBJECT Level, the Budget shall be further divided into smaller groupings of expenditures referenced with four numerals, each having a common first numeral (i.e. Salaries, 1120; Insurance, 1600; etc.). This smaller Budget grouping within each OBJECT Level shall be termed the Character Level.

The Annual Budget approved by the Library Board of Trustees shall approve appropriations within specific Character Levels. Once the Budget is approved by the Library Board of Trustees, changes may be made within each Character Level at the discretion of the Executive Director. The Executive Director may delegate this authority to the Fiscal Officer.

Changes or shifting of funds between or outside of Character Levels shall require the prior approval of the Library Board of Trustees by means of an Appropriation Modification approved at a regular or special Board meeting.

Assets and Risk Management

Inventory of Fixed and Capital Assets

The Auditor of State requires libraries to keep accurate records of fixed, or capital, assets. Keeping current records also helps to safeguard the Board's assets, save money on insurance premiums, and allows the Library to secure adequate insurance coverage. The Library maintains a capitalization threshold of \$5,000.

The Fiscal Officer shall create and maintain a list of Library Buildings with the following information:

- Year constructed, along with year(s) of any major alterations/additions
- Square footage
- Type of construction
- Purpose of building
- Latest valuation of building; depreciation if necessary

The Fiscal Officer shall create and maintain an Equipment List to include every item having a purchase price of \$500.00 or greater. Information needed includes: item description, serial/VIN number, asset tag number, date purchased, cost amount of each asset to be included in asset inventory. The List shall include items such as:

- Vehicles
- Desks
- Computers
- Photocopiers
- Phone systems
- LCD projectors.

The Computer Services Department shall keep records of the software licensed by the Library, and contact information for the vendors that distribute it. No material loss of software assets is expected, because the majority of software is licensed.

The Fiscal Officer shall have access to the Library Materials List from the circulation/acquisitions system, which shall be maintained by the Support Services Manager. Materials should be listed by type (i.e., Books, videos, DVDs, audios, music and other CDs). Collect ISBN, title, author, cost (can use either actual cost or average per material type).

Disposal of Fixed and Capital Assets

Whenever it is necessary to sell or dispose of Library assets that have an aggregate value over \$1,000.00 (per salvage event), the Fiscal Officer will notify the Board of Trustees of the amount and the proposed disposition at a regular Board meeting. The Board of Trustees will declare by resolution the items to be designated as surplus property for disposal. Methods for disposal may include a bid procedure, tag sale or other appropriate method. Unusable items will be discarded through proper trash disposal. When an item(s) cannot be readily or practicably sold, the Library may donate such item(s) to a nonprofit organization or governmental unit. Preference will be given to qualifying nonprofit organizations designated 501(c)(3) by the Internal Revenue Service serving the residents of Franklin and Delaware Counties.

Monies from the sale of surplus materials, furniture or equipment will be deposited in the Library's General Fund. Such deposits will be reported at a regular meeting of the Board of Trustees.

If an item of surplus inventory is believed to have unusual, historic or artistic value, such items may be referred to the Board for determination of value; that evaluation process may require the services of a professional appraiser or outside expert opinion.

Insurance Coverage

The Library Board of Trustees strives to ensure that natural and business risks will be managed to minimize the Library's exposure to such risks using appropriate insurance. Insurance shall be maintained for adequate replacement value of covered contents. The Fiscal Officer will develop and manage protection for business risks, including, but not limited to:

- Fraud and thefts
- Fire, floods, acts of nature (commercial property and commercial multi-peril)
- Legal liability (general liability)
- Employment risks (workers' comp)
- Professional liability
- General comprehension on Library owned vehicles

Responsibility for securing and maintaining adequate insurance coverage for property and director and officer errors and omissions is delegated to the Fiscal Officer. Annual review and approval of director and officer errors and omissions policy limits shall be conducted by the Board of Trustees.

Public Official Surety Bond

A bond is required for the Fiscal Officer and each Deputy Fiscal Officer each year by Ohio Revised Code 3375.32. These bonds shall be in the amount of \$100,000.00 for each person, subject to annual review and approval by the Board of Trustees.

Disaster Recovery Plan and Financial Data Security

Please see the Library's Emergency Management Plan, section 2.5 : Special Considerations by Area.

Investment Policies

The Westerville Public Library's Investment Policy is developed and implemented in accordance with Section 135, "Uniform Depository Act," of the Ohio Revised Code. The Investment Policy shall apply to all active, interim and inactive funds held in the treasury of the Westerville Public Library. Active and Interim funds are those determined to be necessary to meet current and short-term demands upon the Library treasury. Inactive funds are those in excess of the amount determined to be needed as active or interim funds.

Monies held in the Library treasury may be pooled for the purpose of investment management.

Investment Objectives

The basic objectives of the Westerville Public Library Investment Policy are, in order of priority:

1. To ensure the safety of public funds by protecting investment principal.
2. To maintain sufficient liquidity to meet the Library's operating requirements.
3. To attain maximum yield possible consistent with the first two objectives.

Delegation of Investment Authority

Management responsibility for the investment program is hereby delegated to the Fiscal Officer, subject to review and ratification by the Board of Trustees. The Fiscal Officer shall act only in accordance with the Objectives described above.

Investment Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Such officers and employees shall disclose to the Fiscal Officer and the Board of Trustees any material financial interests in financial institutions that conduct business with the Library.

Designation of Public Depositories

The Board of Library Trustees shall designate the Library's public depositories every five years in accordance with the procedures outlined in Section 135.12 of the Ohio Revised Code. Each institution desiring to be a public depository must file an application with the Board specifying the maximum amount of public funds that institution desires to receive

and have on deposit at any time during the period covered by the designation. A financial statement that shall include a statement of the institution's public and non-public deposits shall accompany such application.

Authorized Investment Instruments

Funds of the Library may be invested in those instruments identified in Section 135.18(B) of the Ohio Revised Code. Specifically, authorized investment instruments shall consist of the following:

1. Bonds, notes, or other obligations guaranteed by the United States.
2. Bonds, notes, or other obligations issued by any federal government agency.
3. Certificates of deposit in any bank or savings and loan association having an office located within Franklin County and eligible to become a public depository in accordance with Section 135.04 of the Ohio Revised Code.
4. Written repurchase agreements of any eligible bank or savings and loan association under the terms of which agreement the Library purchases and seller agrees unconditionally to repurchase any of the securities. This agreement shall contain the requirement that for each transaction the participating institution shall provide all of the following information; (a) the face amount of the securities; (b) the rate and maturity date of the securities; (c) a numerical identifier generally accepted in the securities industry that designates the securities.
5. Bonds and other obligations of this state, its political subdivisions, or other units or agencies of this state or its political subdivisions.
6. The Ohio State Treasurer's investment pool (STAR OHIO).
7. Demand deposit accounts (checking, savings, and negotiable orders of withdrawal, zero balance, and concentration accounts) established with local financial institutions approved as depositories for active, interim and inactive funds.

Collateral Requirements

Any public depository shall at the time it receives a Library deposit or investment in a certificate of deposit pledge to and deposit with the investing authority as collateral eligible securities of aggregate market value equal to the excess of the amount of public monies to be at the time so deposited, over and above such portion or amount of such monies as is at such time insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government, or the Fiscal Officer may require such institution to deposit with such Fiscal Officer surety company bonds which, when executed, shall be for an amount equal to such excess amount. The issuer of

the surety bond shall be rated at least "AA" by any of the nationally recognized rating agencies.

The securities eligible to be pledged as collateral are those outlined in Section 135.18(B) of the Ohio Revised Code. A public depository may substitute or exchange eligible securities for other eligible securities by notifying the Fiscal Officer of its intent to make such substitution or exchange. The Fiscal Officer authority may sign a release of such securities provided that the depository delivers other securities having a current market value equal to or greater than the current market value of those securities currently on deposit. A public depository may at its option pledge a single pool of eligible securities to secure the repayment of all public monies held by the depository. The pool of securities must be in compliance with Section 135.181(B) of the Ohio Revised Code.

If a depository fails to pay over any part of a deposit due to the Library, the Fiscal Officer shall have the option to sell the securities pledged as collateral in the manner prescribed by Section 135.18(C) of the Ohio Revised Code. Any surplus remaining after such sale, after deducting the amount due the Library and the expenses of the sale, shall be paid to the depository.

The depository and/or trustee shall provide the Fiscal Officer a detailed quarterly statement of the securities pledged as collateral pursuant to this policy and Ohio law. This statement shall provide the value of all securities at both the face and the then current value. Any institution utilizing the pooled collateral option will also disclose the total amount of public funds on deposit with that institution.

Any charges or fees of a designated trustee acting as such pursuant to this policy and Ohio law shall be paid by the public depository.

Safekeeping and Custody

Any investment instrument, deposit account, or any other documents evidencing deposits or investments of the Library shall be in compliance with Section 135.18 of the Ohio Revised Code.

Maturities and Distributions

The investment portfolio shall be structured to provide sufficient funds to meet anticipated cash needs. The Fiscal Officer shall prepare a cash forecast consisting of cash flow projections and a projection of available cash balances in determining appropriate maturities.

No investment shall have a maturity date of more than five years from its date of purchase. The term of any repurchase agreement shall not exceed thirty days.

All investment earnings must be credited to the Library's General Fund unless a specific resolution directing other action is adopted by the Board.

Reporting

The Fiscal Officer shall submit monthly to the Board of Library Trustees a report describing the Library's portfolio in terms of cash balances, investment securities, maturities, and other features. Included in this report shall be the distribution of investment income for the previous month of any monies not deposited in the General Fund.

Investment Policy Distribution

The Fiscal Officer shall distribute a copy of this investment policy and any revisions or updated versions to each qualified public depository and any eligible broker/dealer desiring to do business with the Library.

Before accepting funds or engaging in investment transactions with the Library, the supervising officer at each depository or designated broker/dealer of government securities shall certify that he or she has reviewed this investment policy and agrees to disclose potential conflicts or risks to public funds that might arise out of transaction between the depository or firm and the Library.

Finance and Facilities Committee

Mission

The responsibilities of the Board of Trustees Finance and Facilities Committee will include but not be limited to overseeing and reviewing the budget, reviewing Library audits; performing cost analyses on proposals submitted by the Executive Director and making recommendations to the Board on these proposals. The Committee will also review projects and services as they relate to Library facilities and provide recommendations to the Board.

The Finance and Facilities Committee serves an advisory role and makes recommendations to the Westerville Public Library Board of Trustees. Committee actions are subject to approval by a majority of the Board of Trustees. In general, the Committee will work in conjunction with the Library's Fiscal Officer and Executive Director.

Responsibilities

- Recommend and/or approve policies related to the fiscal affairs of the organization.
- Recommend and/or approve policies related to physical and data security policies and plans of the organization.
- Recommend methods to secure sufficient revenues for effective Library services from appropriate sources.
- Recommend long range funding options, plans and strategies.
- Review the Annual Budget with the Executive Director and Fiscal Officer and recommend action to the Board.
- Review Appropriations with the Executive Director and Fiscal Officer; recommend action to the Board.
- Oversee budget reductions if necessitated by unanticipated income curtailment occurring within a budget plan period.
- Oversee real estate transactions.
- Oversee the setting and review of annual goals for the Fiscal Officer from which recommendations of salary increases and merit bonuses shall be made to the Board.

- Ensure that the Fiscal Officer and Deputy Fiscal Officers meet the current skill requirements for their positions.
- Annually review and suggest changes to the Fiscal Policy Manual.
- Annually review and suggest changes to the Emergency Management Plan.

Meetings

The Finance and Facilities Committee shall meet as necessary, but not less often than quarterly. Committee meetings shall be held in compliance with Ohio's Sunshine Laws (Public Records Act and Open Meetings Act). The Fiscal Officer and Executive Director shall participate in Committee meetings; provided, however, that the Committee may meet without either or both of them as needed.

The Fiscal Officer shall prepare an agenda for each meeting and distribute it before each meeting to Committee Members and Executive Director, including such attachments as are necessary. Meeting minutes shall be composed by the Fiscal Officer, if present, but if not present then by a Committee member; reviewed and approved at the next Committee meeting; and filed with the Executive Director.

Audit Committee

The Finance and Facilities Committee appointed at the time of the reorganizational meeting each January will serve as the Audit Committee and may serve as a liaison between the auditors and Library management. The primary function of the Audit Committee will be to monitor and review the Library's accounting and financial reporting practices, and to follow up on recommendations and citations (if any exist) which are made by the auditors. The Audit Committee will:

- Meet with the state auditors after each audit.
- Monitor the process of the financial and compliance audit.
- Evaluate the results of the financial and compliance audit.
- Advise the Board of Trustees concerning the actions necessary to ensure that the internal control and legal compliance issues identified in the audit are promptly and effectively remedied.
- The Audit Committee will meet as deemed necessary.

Personal Conduct

Members of the Finance and Facilities Committee may not have direct or indirect interest in the gains or profits of any investment made by the Westerville Public Library and may not receive any pay or advantages for services.