

Argyle Free Library Financial Policy

1. Treasurer Responsibility

A. Annual Budget

The Treasurer shall prepare an annual budget, in consultation with the Library Director and Board Members. (a) The Library Board must approve the Budget no later than December meeting of the prior year, and (b) the Library Board must approve any adjustments to the budget by a majority vote.

B. Investment Policy Formulation

The Library Board shall approve the Library's investment policy for each class of funds. Each year at its March meeting, the Library Board shall review and approve the Library's investment policy.

Funds will be classified by expected time of use. Short-term funds are expected to be needed within 12 months. Long-term funds will not be needed within 12 months.

C. General Investment Policy by Time Horizon

(a) Short Term Investments

The treasurer is responsible for prudent investments of such funds. Amounts not needed immediately should be invested in money market funds, savings accounts, or certificates of deposit of less than one year's maturity. The Treasurer may also maintain a "working balance" of funds in a non-interest bearing checking account.

(b) Long Term Investments

The guiding principal of investing long term monies is to choose a prudent and conservative portfolio, which will provide capital growth with some focus on income. The Treasurer must obtain the approval of the Library Board before making a long-term investment.

D. Reporting Duties

(a) Monthly Reports

The Treasurer will submit monthly reports to the Library Board. The Board will review these reports, evaluate and recommend long-term investments and assure investment policies are followed.

(b) Annual Reports

The Treasurer shall report to the Library Board at the March Meeting. The report will detail financial assets held at December 31 of the prior year and investment activity in the prior year. This will include checking accounts, savings accounts, certificates of deposit (amount, current interest rate and maturity dates must be indicated). Stocks, bonds, and mutual funds (market value, cost prior years yield, and realized and unrealized gains and losses).

(c) Government Reporting

The Library Board is responsible for assuring that the annual government reports of revenue and expenses (IRS Form 990) and (NYS Report for Association Libraries) are submitted in a timely and accurate manner.

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E. Financial Review of Financial Records

- (a) An independent CPA will be appointed by the Board president to do a formal financial review once every 3 years. A report will be submitted to the Board upon completion of the review.
- (b) The Finance Committee shall review all financial records annually, including all income and expenses, bank statements, and invoices.

F. Petty Cash

The library maintains a Petty Cash fund for the incidental purchase of books, DVDs, postage, and maintenance supplies. Cash received as small donations, payments of fines, and charges for copies, printing and faxes are collected into the Petty Cash fund.

The library staff will log cash entries each day. The library director must approve all purchases to a maximum limit of \$50.00. Receipts will be stapled to the quarterly expense log. This log, along with all receipts, will be moved to the financial records file by the Treasurer at the end of each quarter. The Treasurer will count cash and reconcile the fund's logs each month. When cash reserves exceed expected needs, money will be moved to the library's checking account at the discretion of the Treasurer.