

Argyle Free Library Financial Policy

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 the December meeting of the prior year.
- (b) The Library Board must approve any adjustments to the budget by a majority vote.

B. Investment Practice Formulation

Each year at its March meeting, the Library Board shall review and approve the Library's investments.

C. General Investment Practices by Time Horizon

- (a) Short Term Investments (may be needed within 12 months)
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 (will not be needed within 12 months)
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 ensure investment practices are followed.
- (b) Annual Reports
The Treasurer shall report to the Library Board at the March Meeting. The report will detail financial assets held on December 31 of the prior year and investment activity in the prior year. This will include checking accounts, savings accounts, certificates of deposit, showing amount, current interest rate and maturity dates. Any stocks, bonds, and mutual funds will show market value, cost at prior year's yield, and realized/unrealized gains and losses.
- (c) Government Reporting
The Library Board is responsible for ensuring 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.

Argyle Free Library Financial Policy

E. Review of Financial Records

- (a) An independent party 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

- (a) The library maintains a Petty Cash fund, which includes cash received as small donations, payment of fines, and charges for copies, printing, and faxes. All cash received must be entered into the log by the library staff on the day it is received.
- (b) The Petty Cash fund may be used for incidental purchases under \$50, such as postage or maintenance supplies. All purchases must be approved by the Library Director and entered into the log daily, with a receipt.
- (c) The Treasurer will count cash and reconcile the Petty Cash fund log each month. When cash reserves exceed expected needs, money will be moved to the library's checking account at the discretion of the Treasurer. The log, along with receipts, will be moved to the financial records file by the Treasurer at the end of each quarter.

G. Credit/Debit Card Usage

- (a) The Library Director is responsible for credit/debit card and must authorize each use.
- (b) Delegated users must pick up and return credit/debit card to the Library Director.
- (c) All charges made with credit/debit card must be library business related.
- (d) Credit/Debit card purchases should be recorded monthly and submitted to the Treasurer, along with any supporting documentation.
- (e) The Library Director will be responsible for reporting any lost or stolen cards to the issuing company immediately.

H. Local Business Charge Accounts

- (a) The Library Director must approve the charge/credit account.
- (b) Only staff designated by the Library Director are permitted to use the charge/credit account.
- (c) All charges made with credit/debit card must be library business related.
- (d) Charge/credit account purchases should be recorded monthly and submitted to the Treasurer, along with any supporting documentation.