

# Fenton Free Library

## Fiscal Policy

Moody Memorial Building

1068 Chenango St.

Binghamton, NY 13901

ADOPTED:

REVISED: 5/17

### 1. LEGAL STRUCTURE - Fenton Free is a Free Association Library

- a. NYS libraries must adhere to NYS Dept of Education Law - para. 259

### 2. FUNDING

- A. CHENANGO VALLEY SCHOOL DISTRICT - Para 259 allows libraries to add a line to the school ballot in order to access funding through the school district.
- B. COUNTY – County funding is collected by Broome County through public taxes under the terms of a contract.
- C. GRANTS - LLSA (local library state aid) annual grant is determined based on amount spent on collection expenditures. BOOKS grant up to \$1000 is applied for annually to fund Summer Reading Program. Other grants are applied for from time to time to fund programs or items not covered in the library budget.
- D. OPERATIONS - Library receipts for damaged books, replacement cards and other ongoing fees.
- E. FUNDRAISING - Gifts and donations received from book sale, bake sale, in lieu of fines, annual fund drive and other fundraising events held throughout the year.
- F. INTEREST INCOME - Interest from reserve funds held in savings account and CDs.

### 3. ANNUAL BUDGET PROCESS - The library utilizes a line item balanced budget whereby both inflows and outflows are budgeted by the source of income or type of expenditure.

- A. The Treasurer creates a draft budget based on prior year and year to date actuals as well as input from Director on projected needs. This document is prepared in July and is reviewed and revised as needed by the Finance Committee of the Board of Trustees.
- B. The budget is discussed and revised, if needed, for approval by Board of Trustees at August meeting.
- C. It is the responsibility of the Board of Trustees to justify the budget to the public.

### 4. ACCOUNTING

- A. The Treasurer maintains the books and records of the Library on his(her) personal computer with a backup copy stored by account server.
- B. Prior to each Board meeting, the Treasurer prepares and emails monthly reports including actual costs vs. the budget and a balance sheet from prior month-end to the Board of Trustees. These reports are discussed, reviewed and approved by the Board.
- C. The Treasurer prepares an Annual Financial Report that is presented and approved by the Board in January. This report shows the budgeted vs. actual inflows and outflows for the entire prior year and the net inflow/outflow.
- D. The Library Director maintains the checkbook and processes all bills for payment by verifying the accuracy of the bills, preparing the checks and providing them to one of the authorized signers.

## **5. AUDIT and RECORDS RETENTION**

- A. An association library audit can be a self audit or a 3rd party can be hired. Prior year financial records are kept in the upstairs attic closet by year and are kept for seven years. Monthly reports are kept in the Director's or Board Secretary's board binder.
- B. Electronic copies are kept on accounting software.

## **6. ANNUAL REPORTS**

- A. Once the Treasurer's Annual Reports are approved by the Board, the NYS library annual report can be prepared. This is all done through the online system and includes measures of activity, collection as well as the financial information.
- B. As a registered non-profit the library is required to file a tax return with the IRS annually.

## **7. WRITTEN POLICIES**

The following policies, revised in 2013, govern the operations of the Fenton Free Library Association. These policies are a matter of record having been approved by the Board of Trustees.

1. Borrowers Policy
2. Circulation Policy
3. Exhibit Policy
4. Fines and Damages Policy
5. Materials Selection Policy
6. Meeting Room and Use of Space Policy
7. Personnel Policy
8. Public Relations Policy
9. Fiscal Policy
10. Accounting and Financial Policy and Procedures