

Fiscal Accountability Policy

Peru Public Library

Introduction

The library board adopted fiscal accountability policy supports the library's mission and goals, assures sound fiscal management, and complies with laws and ordinances. This plan incorporates policy with procedural elements.

The board manages the revenues and expenses in a fiscally responsible manner with the goal of meeting community needs while maintaining adequate financial reserves while planning for future expenses.

The Peru Public Library's adopted budget is developed as a cooperative process between the board, the director, and appropriate staff members. The board delegates to the director the daily fiscal operations of the Peru Public Library.

As a library district, the fiscal year is 1 July through 30 June. The Budget & Appropriation and Tax Levy are adopted and filed prior to legal deadlines. The amount levied in one fiscal year is received and supports the library in the next fiscal year. The library's funds balances are reviewed on an annual basis.

Economic Interest Forms

The board and applicable staff complete and file the annual Economic Interest form with the applicable County Clerk(s).

Income

The library's income is predominately local property tax revenue, with some revenue deriving from fines, fees, grants, and donations. As possible, the library uses direct deposit for receipts of local taxes and state grants. We deposit grants funds upon receipt. Incoming fine, fees and donation funds are deposited at least monthly.

Annually, the library board authorizes the Library Director to seek applicable and appropriate grants to supplement the library's income. Grant funds and any matching funds are used in accordance with the grant's requirements.

Expenditures

The library's expenditures are predominately operational, building, insurance and personnel, with a varying proportion in capital development. Restricted funds are spent within the scope of the agreed restriction. Non-restricted funds are spent within the guidelines of the budget.

The library prudently uses library funds to purchase material, services and supplies at the lowest responsible price, using discounts and group purchases as possible. All purchases are documented. All expenditures above \$20,000 are approved with a roll call vote.

The Board approves Library expenditures at the monthly meeting. If a board meeting does not have a quorum or there is not a scheduled meeting to approve bills, the Library Director is authorized to pay regular ongoing bills with board acknowledgement made at the next regular board meeting. (moved here from other locations)

Payments

The preferred manner of payment of library expenditures is ACH, then paper check, lastly wire transfer. The assistant director or library director are authorized to make payment of approved bills. When paper checks are used, two authorized signatures are required. The Board Treasurer, Board President, and/or Library Director are authorized signatories.

Reports and Records

On a monthly basis, the Library Director presents written reports on library operations to the Board of Trustees. These reports include information on finance, library usage, matters of personnel, collection development, and programming in addition to other relevant and pertinent information.

The financial reports indicate the financial position of the library with the status of each budgetary line item including budgeted amount, receipts, monthly and year-to-date expenditures and remaining budget anticipations.

Vendor files, bank statements, and other financial documentation are securely kept for appropriate time periods as required by audit, comptroller, financial best practices, and the Illinois Local Records Act.

Audit

The library abides by state law and fiscal recommendations regarding financial audits. Proposals should be solicited every 7 to 10 years from three or more firms qualified to conduct a governmental audit for Peru Public Library.

Deposits

The Library Director or designee is authorized to make deposits into appropriate library accounts. Such deposits include, but are not limited to, the deposit of accumulated fees and fines, gifts, donations, grants and tax receipts. The library's property tax revenue is direct deposited by the county clerks.

The Library Director or Assistant Director is authorized to transfer funds from one library account to another library account to ensure balances are sufficient for bill payment.

Authority to Spend

The Library Director has authority to make all necessary and reasonable purchases and payments for the library. The Library Director may delegate library-related purchases to appropriate staff members.

The Library Director of the Peru Public Library has authority to spend:

- up to \$5,000.00 on any budgeted item without prior board approval

- between \$5,001.00 to \$24,999.00 on an item with the prior approval of the full board without a formal bid
- in excess of \$25,000.00 only after completing the formal bid process outlined in the Illinois Compiled Statutes (105 ILCS 5/10-20.21)
- in case of extreme emergency up to \$12,000.00 with the approval of two library board officers

Purchasing

All purchases for goods and services for the Library are authorized by the Library Director through established procedures.

Bids and Quotes

When constructing buildings, renovating, repairing, or improving the existing library facility, erecting an addition to the library facility, or purchasing the necessary equipment for the library where the cost is over \$25,000, the Board will advertise for bids and award the bid to the lowest responsible bidder. (75 ILCS 16/40-45).

For other purchases for services, materials, equipment, or supplies, other than professional services, with a value greater than \$5,000, three or more competitive quotes will be sought, as feasible.

Credit Cards

The Peru Public Library has a credit card for library-related expenses and purchases. The Library Director determines which staff members are issued a physical card on the account. Only library-related expenses and purchases may be charged to the library's credit card account. Receipts are submitted to the Library Director for approval.

Reimbursement

With Library Director approval purchases by staff, mileage travel by staff or board and other authorized miscellaneous expense are reimbursed. Receipts must accompany the request.

Surplus Property

The Library disposes of any real and personal property in accordance with 75 ILCS 16/30-55.32.

Donations

Restricted and Unrestricted

Donations are deposited into the library's general fund until used. Restricted funds may be placed into the Supplement Services Fund.

Supplemental Services Fund

The library's supplemental fund is based on donations, memorials and bequests. The library uses the Supplement Services Fund for special projects, such as matching funds for grants and major renovations, expansions of the library building or as determined by the library board. See the Supplemental Services Fund policy.

Friends and Reimbursement

The Friends group reimburses the library for agreed expenses.

Investment of Public Funds

Library investments are made with prudent care and in accordance with law. The authority of the library board to control and invest public funds rests in the Illinois Library District Act and the Illinois Public Funds Investment Act. The library board authorizes the Library Director to administer and execute investment of public funds. Investments, fund balances and the status of such accounts are reported at each regularly scheduled meeting of the Library Board.

In selecting financial institutions and investment instruments, these objectives are considered:

- Invest only in securities guaranteed by the U.S. government, the Illinois Funds (Illinois Public Treasurer's Investment Pool), or in FDIC or FSLIC insured institutions.
- Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC or FSLIC coverage.
- Authorized investments include Certificates of Deposit, Treasury Bills, participation in Illinois Funds and any other investments allowed under state law that satisfy the investment objectives of the library.
- Investments are managed to meet cash reserve needs.
- Within the constraints of Illinois law and this investment policy, every effort is made to maximize return on the library's investments.
- All available funds are in investments or kept in interest-bearing deposit accounts at all times.
- The time required by library administrative staff to manage investments is kept to a minimum.

Indemnification and Insurance

The Peru Public Library bonds or insures the Treasurer, Library Director, trustees and applicable staff in accordance with the law and common financial practice.

Cash Reserves

The goal of the library board is to have on hand cash reserves or fund balances amounting to six (6) months of operating expenses. See the Fund Balance policy for more details.

Building Reserve Fund

The Peru Public Library board established a Special Reserve Fund (aka Building Reserve Fund) under 75 ILCS 16/40-50. Unexpended funds from the library's Building & Maintenance Fund are transferred into the Special Reserve Fund at the end of the fiscal year. See the Special Reserve Fund policy for more details.

Adopted 14 July 2011
Revised 8 June 2017
Revised 10 March 2022