

FINANCIAL MANAGEMENT

1. FISCAL YEAR

The fiscal year of the Smithtown Special Library District shall begin with the first day of January and end with the 31st day of December.

2. CONFLICT OF INTEREST

No trustee, officer or employee shall be interested directly or indirectly in any claim against or contract with the Library for lawful compensation and expenses. However, a trustee who is not the treasurer may be a stockholder, officer or director of a bank designated as a depository for the Library.

3. DUTIES

The board of trustees shall:

- a. Appoint a treasurer who shall hold office at the pleasure of the board.
- b. Provide a satisfactory minute book for recording the minutes of the meetings of the board of trustees.
- c. Provide the treasurer with a distribution ledger in which he/she shall record itemized receipts and itemized payments, which shall be classified in each case as is required for the annual financial report.
- d. Provide the treasurer with a cashbook in which he/she shall enter an itemized record of receipts and payments.
- e. Adopt a prenumbered receipt form, and require the treasurer to acknowledge the receipt of any library funds paid over to his/her custody by issuing his receipt as follows; a copy to the payer and a copy to be retained by the treasurer.
- f. Adopt a prenumbered voucher-check and require the use of this form in paying all obligations except as otherwise provided in paragraph "r" of this subdivision. This form must provide for the signature of the treasurer and may provide for as many additional signatures as the board may require.
- g. Adopt, at least 30 days prior to the start of the ensuing fiscal year, an estimate of receipts and appropriations (annual budget).
- h. Amend the budget at any time during the fiscal year and provide for appropriations from any additional revenues received.
- i. Keep the incurred obligations in each fiscal year within the amounts authorized by the budget and amendments thereto.
- j. Settle all accounts of the library on or before the last day of the fiscal year.

- k. Disburse library funds only on the basis of itemized vouchers, which have been certified by the claimants and approved by the board of trustees except as otherwise provided in paragraph “r” of this subdivision.
- l. Provide by resolution that amounts due upon contracts, fixed salaries or for compensation of employees regularly engaged at agreed periodic rates, may be paid without prior audit upon submission to the treasurer of a voucher or payroll duly certified by the director or his duly authorized representative.
- m. Establish rules and regulations governing the reimbursement of trustees, officers and employees for actual and necessary expenses incurred in the performance of official duties assigned by the board of trustees. In lieu of actual and necessary travel expenses, the board of trustees may establish a mileage rate for the use of personally owned automobiles.
- n. Require the treasurer to render monthly reports, showing the following information for the guidance of the board: balance on hand at the beginning of the month; itemized list of receipts during the month; total withdrawals made from the bank account during the month; balance on hand at the end of the month and reconciliation with the bank statement.
- o. Require a monthly report from the treasurer showing amounts of receipts by source and expenditures by budget category for the months and year to date.
- p. Cause an annual audit of the treasurer’s records to be made either by a committee of the board or by an independent auditor.
- q. Provide adequate filing equipment for the preservation and systematic arrangement of all paid and unpaid bills, cancelled checks, bank statements, debit charge slips, contracts and other financial records.
- r. At its discretion, establish a petty cash fund for the purpose of making payment in advance of authorization of properly itemized bills for materials, supplies or services furnished to the library calling for immediate payment on delivery.
 - i. Whenever a petty cash fund is established, the board shall designate the library director or the treasurer of the Library to administer and be responsible for such fund. No such fund shall exceed \$622 at any one time.
 - ii. The person in charge of such petty cash fund shall keep such records as may be necessary for the accurate accounting of all transactions and shall make reports to the board of trustees as required by such board.
 - iii. From time to time checks may be drawn to person designated to administer the petty cash fund in an amount which shall not exceed payments made in cash as indicated by receipts, receipted bills or other evidence of payment in form available to audit.

- iv. The petty cash fund shall be completely closed out at the end of each year and the general fund reimbursed by the original amount transferred to the petty cash fund.

- s. The treasurer shall deposit all moneys within five days after receipt in a depository designated by the board of trustees. The trustees may authorize the treasurer to deposit or invest moneys not required for immediate disbursement in special time deposit accounts or certificates of deposit issued by a bank or trust company located and authorized to do business in the State of New York, provided that such account or certificate shall be payable within the time the moneys shall be needed, and provided further that such account or certificate of deposit shall be secured by a pledge of obligations of the United States of America or of the State of New York. Investments may also be made in obligations of the United States of America or the State of New York, registered or inscribed, when possible, in the name of the Library, and payable or redeemable at the option of the system within such time as the proceeds shall be needed, but in any event not later than the end of the fiscal year. Such obligations shall be purchased through, delivered to and held in the custody of a bank or banker designated by the trustees for the deposit of Library moneys.

4. REAL PROPERTY TAX LEVY

For the year commencing January first, two thousand three and for each year thereafter, a proposed increase in the real property tax levy for operating purposes shall not exceed the real property tax levy for the prior fiscal year by more than 5%.

5. FUND BALANCE

Fund balance reserves for the general fund shall not exceed an amount equal to three months of general fund expenditures.

6. DEBT LIMIT

Tax-supported debt shall not exceed 10% of the assessed value placed on taxable property within the assessment district. **SUSPENDED 2/17/04**

7. AMENDMENT

This policy may only be amended by a two-thirds vote of the entire membership of the board of trustees, provided that the amendment has been submitted in writing at the previous meeting.

Policy 900-10
Adopted: 9/18/01
Revised: 5/20/03
Revised: 10/17/06
Revised: 1/20/09
Revised: 6/21/11