



F-001

## Richmond Heights Memorial Library FISCAL POLICY

1. The Richmond Heights Memorial Library by State statute has the legal authority to acquire the revenue needed to maintain the Library through appropriate property tax levies, fines, fees, grants, donations, and investments, and to spend it appropriately on quality service.
2. The Library's fiscal year runs from July through June.
3. No bank account can be opened in the name of the Library without prior Board approval and must have all appropriate signatories.
4. Signatories are : President, Vice-President, Treasurer, Director and Assistant Director.
5. The Library Trustees with input from the Director set the budget for the Library in each fund category before the start of the fiscal year.
  - a. The Library may not run a deficit budget balance.
6. The Director provides a monthly statement of revenues and expenditures to the Board.
  - a. An outside accountant may be employed, as determined by the Board.
7. All expenditures must be assigned to a budget expense category by the Director.
8. All expenditures must have an invoice or other documentation showing the recipient, purpose, date and amount of the expenditure.
9. The Board Treasurer, or other appropriate Board Officer, must approve all invoices and sign all checks.
  - a. Payments made on-line require approval only.
  - b. Two signatures are required on all checks
10. With the Director's approval, expenditures may be made for the Library by staff or Board members and will be reimbursed upon presentation of sales slips or other evidence of the purchase.
11. Cash receipts from fines and fees are deposited weekly.
  - a. Receipt amounts are assigned to budget revenue categories.
12. Cash is kept on hand for making change and can be used at the Director's discretion for petty cash expenditures
  - a. Petty cash reimbursements require a sales slip or other evidence of the expenditure.]
13. Tax revenue is received by direct deposit in the Library's General Fund Account.
14. Cash reserves may be maintained by the Library.
  - a. Reserves are acquired from budget surpluses, donations, investment income and any other appropriate revenue source.
  - b. The Library retains reserves equal to at least one half of the average annual operating budget, sufficient to meet the following needs:



- i. Fund the first half of each budget year before tax revenue for that year is received.
- ii. Pay accrued vacation in case of resignation.
- iii. Legal and building expenses
- iv. Unanticipated equipment and capital expenses.
- v. Unreimbursed catastrophic losses

15. Donations and Gifts

- a. Donations and gifts may be restricted or unrestricted.
  - b. The Library may use unrestricted gifts in any way it sees fit.
  - c. The Library reserves the right to refuse restricted gifts.
  - d. Donations in kind may be converted to cash by sale or other means, at the Library's discretion.
16. The Library may invest its operating funds and reserves in any legally-sanctioned investment instrument, so long as the mission of the Library is not negatively impacted.
17. As a member of the Municipal Library Consortium, the Library has legal and fiscal obligations to that organization, as defined by the Consortium contract and policies, so long as the mission of the Library is not negatively impacted.

*Adopted by the RHML Library Board of Trustees March 2014  
Reviewed and adopted by Board of Trustees June 17, 2019*