

Workshop on Thursday, March 6, 2014

Library Finance Policies and OSC Audits

9:30 - 11:30

Part 1: Introducing NYLTO: A Resource for Library Policy Development

(9:30 - 9:50) Eric

- How to access NYLTO - U-name & password
- General Resources
- Policy Templates
- The Forum

Part 2: OSC Audits - Why Should You Care? What does it mean for your library?

(10:00 - 10:30) Eric with Tom Gessick from T.M. Byxbee CPAs P.C.

1. What Function is OSC Performing?
 - a. “to serve taxpayers’ interests by improving the fiscal management of local governments and schools in New York State”.
 - b. Appropriate & effective use of public funds
 - c. Who is affected? Public Libraries (what about systems & associations?)
2. The OSC Audit Process - What can you expect when you are audited?
<http://www.osc.state.ny.us/localgov/audits/underaudit.pdf>
 - a. Process is evolving - has changed over time; becoming more focused
 - b. Information gathering phase
 - c. Specific area audit phase
 - d. Report, recommendations & response
3. Examples from Library Audits - What has OSC focused on?
<http://www.osc.state.ny.us/localgov/audits/libraries/>
 - a. General Operations (Niagara Falls p7; Pember p5)
 - b. Cash Receipts (Niagara Falls p13; East Greenbush p5)
 - c. Claims Processing (N. Onondaga p10; Crawford; CPH p7)
 - d. Other Issues
 - i. Payroll - leave accruals, etc.
 - ii. Credit card use & petty cash
 - iii. Information technology (access to financial data, disaster preparedness, records management)
 - iv. Ethics/Conflict of Interest
4. General Recommendations
 - a. Have written policies & procedures
 - b. Make sure you are following your by-laws, policies, etc
 - c. Oversight & approvals, with appropriate separation of duties
 - d. The Board is fulfilling its fiduciary responsibility

Part 3: Library Finance Policies

10:40 - 11:30) Eric with Tom Gessick from T.M. Byxbee CPAs P.C.

This section is based on the Draft MVLS Finance Policies

1. Budget Development
 - a. budget calendar
 - b. budget categories & line items
 - c. reporting
 - d. amendment procedures
2. Purchasing
 - a. who has authority?
 - b. purchase orders
 - c. competition in procurement
 - d. authorization to pay claims
3. Disbursements/Claims Processing
 - a. claims preparation - the paper trail (PO, receiving, invoice)
 - b. claims approval
 - c. check preparation and signing - treasurer's role
 - d. claims audit & board approval
 - e. record keeping
 - f. bank reconciliation
4. Cash Receipts
 - a. receipt collection
 - b. receipt reconciliation (balancing the drawer)
 - c. depositing receipts
 - d. record keeping & internal auditing
 - e. bank reconciliation
5. Investment Policy
 - a. authority to enter into investments
 - b. types of investments allowed
 - c. diversification
 - d. collateralization
 - e. reporting
6. Fixed Assets
 - a. issues concerning Cash Basis of Accounting
 - b. inventory control
 - c. depreciation
7. Gifts & Contributions
 - a. types of gifts accepted
 - b. approval process and receipt
8. External Audit
 - a. employed by the board
 - b. when needed, auditor selection, etc