

MVLS Policy Manual DRAFT

Section 2: Administration

Policy Title: **Finance Policies - General**

Policy Number: **2.1-0**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Finance Policy Group is to support the mission of the Mohawk Valley Library System by insuring that system resources are used to further the system's approved mission. This policy supports effective public library service for community members at member libraries through promoting efficiency and accountability in the use of system resources. All Plan of Service categories are supported by this policy.

Legal Citations/Legal Requirements Addressed: MVLS Finance Policies are based on various laws including the *Internal Revenue Code* sections 170 and 501(c)(3); *NYS General Municipal Law*, *Education Law* and *Not for Profit Corporation Law* and on the opinions and guidelines of the NYS Comptroller's Office, which are available at:

<https://www.osc.state.ny.us/localgov/tools.htm>

ALA/NYLA Best Practices Citations: Both ALA and NYLA provide some guidance on library finances. ALA resources are available at:

<http://www.ala.org/tools/atoz/librarybudgetfinance/budgetfinance>.

NYLA lists OSC opinions that affect libraries at:

http://www.nyla.org/max/4DCGI/cms/review.html?Action=CMS_Document&DocID=27&MenuKey=asls_resources

Administrative Guidelines: Administrative Guidelines are addressed in the individual policies of the Finance Policy Group.

Policy Statement: The Mohawk Valley Library System finance policies and procedures conform with Generally Accepted Accounting Principles and with the guidelines developed by the New York State Comptroller's Office. The Board of Trustees, Executive Director, Finance Manager and the board selected outside auditing firm all bear responsibility for insuring that MLVS complies with these principles and OSC guidelines.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Finance Policy – Budget Development**

Policy Number: **2.1-1**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Budget Development Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0. Specific OSC guidelines for budgets and financial reporting are available at:
<https://www.osc.state.ny.us/localgov/pubs/lgmg/budgetprocess.pdf>

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Budget Development Calendar, Budget Categories, and Budget Amendment Guidelines.

Policy Statement: The Mohawk Valley Library System develops and reviews an annual calendar-year budget for the purposes of planning for, controlling and reporting on system income and expenses. All decisions concerning the budget will be made by the Board of Trustees with input from the Director, Finance Committee and Member Libraries. The annual budget will be approved prior to the start of the fiscal year. The Board of Trustees will amend the budget as needed throughout the year to keep income and expenses within the approved amounts.

Approved:

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MVLS Policy Manual DRAFT

Policy Title: **Finance Policy – Purchasing**

Policy Number: **2.1-2**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Purchasing Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0. Specific OSC guidelines concerning purchasing are available at:
<https://www.osc.state.ny.us/localgov/pubs/lgmg/seekingcompetition.pdf>

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Purchasing Guidelines.

Policy Statement: The Mohawk Valley Library System purchases the goods and services needed to implement its mission through a process that promotes efficient and effective use of system resources, as well as sound record-keeping and control. The Director will approve all purchases through a Purchase Order, Payment Authorization or other approved procedure. MVLS utilizes state contract pricing when available and appropriate, and complies with OSC guidelines on competitive bidding. The Director is authorized to pay all valid and approved claims for purchases made, and reports all such activity to the board at the regularly scheduled meetings of the board of trustees.

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MVLS Policy Manual DRAFT

Policy Title: Finance Policy–Payment Authorization/Claims Audit Policy Number: 2.1-3

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Payment Authorization/Claims Audit Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0. Specific OSC Guidelines for internal controls are available at:

<https://www.osc.state.ny.us/localgov/pubs/lqmg/claimsauditing.pdf> and:
<https://www.osc.state.ny.us/localgov/pubs/lqmg/practiceinternalcontrols.pdf>

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Check Inventory Control, Payment Authorization Procedures, Bank Reconciliation Guidelines and Separation of Duties Guidelines

Policy Statement: The Mohawk Valley Library System prevents mistakes, misconduct and fraud in the payment of claims through a stringent system of check inventory control, payment approval process, separation of duties and bank reconciliation procedures. All payments are reviewed and approved by three independent parties: the Executive Director, the board member who signs checks, and the board appointed internal claims auditor. In addition, all payments of more than \$50,000 must carry two board signatures. The board will appoint the authorized signatories and internal claims auditor at each annual reorganizational meeting of the board. The Administrative Assistant will prepare the claims, and the Finance Manager will perform bank reconciliation. The Board of Trustees, Treasurer, Finance Committee, Executive Director and Finance Manager are responsible for the effective implementation of this policy.

Approved:

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MVLS Policy Manual DRAFT

Policy Title: Finance Policy–Cash Receipts

Policy Number: 2.1-4

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Cash Receipts Policy is addressed in Policy 2.1-0, General Finance Policies.

**Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0. Specific OSC guidelines concerning cash receipts can be found at:
<https://www.osc.state.ny.us/localgov/pubs/lgmq/practiceinternalcontrols.pdf>**

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Cash Receipts Guidelines, Bank Deposit Guidelines

Policy Statement: The Mohawk Valley Library System prevents mistakes, misconduct and fraud in the receipt of payments through a stringent system of controls concerning cash receipts, bank deposits and bank reconciliation. All cash receipts are documented as they are received, and are deposited within 1 week. The cash receipt documentation, deposit register and recording in the financial books will not be handled by the same individual. The Executive Director and internal claims auditor will periodically review cash receipts records. All receipts must be in the form of checks, automated deposits or wire transfers unless individually approved by the Executive Director and Treasurer.

Approved:

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MVLS Policy Manual DRAFT

Policy Title: Finance Policy – Investment Policy

Policy Number: 2.1-5

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Investment Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0. Specific OSC guidelines concerning the investment of public funds can be found at:
<https://www.osc.state.ny.us/localgov/pubs/lgmg/investingpublicfunds.pdf>

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Investment Authority, Diversification, Deposit Security and Collateralization, and Permitted Investments

Policy Statement: The Mohawk Valley Library System invests assets according to this policy in order to steward financial resources with prudence, promoting preservation, liquidity and yield. All investments will be made as provided for in NYS General Municipal Law section 11 and will be deposited at approved financial institutions. Approved investments include timed deposits, money market funds and certificates of deposit. The MVLS treasurer, working with the Executive Director and Finance Manager, has the authority to invest institutional funds. The Treasurer will provide a report of all investments at each regular meeting of the board. Investments will be diversified and collateralized to guard against loss. The Board, at each reorganizational meeting, will approve a cash ceiling for deposits in one institution.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: Finance Policy – Fixed Assets

Policy Number: 2.1-6

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Fixed Assets Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: Administrative guidelines for fixed assets may be developed if needed.

Policy Statement: The Mohawk Valley Library System does not capitalize fixed assets. Institutional books are kept on a cash basis as required in reports for the New York State Education Department. Capital costs are treated as expenses in the year in which they are incurred.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: Finance Policy – Gifts & Contributions

Policy Number: 2.1-7

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Gifts and Contributions Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Examples of gifts that fall in three categories: those acceptable without board approval, those that require board approval and those that are unacceptable.

Policy Statement: The Mohawk Valley Library System accepts gifts that are consistent with the organization's mission and that are in the form of cash or a form easily converted to cash. All temporarily restricted gifts must be approved by the Executive Director. All proposed permanently restricted gifts must be approved by the Board of Trustees. All gifts of personal property, real property or securities must be approved by the Board of Trustees. All accepted gifts will be acknowledged with a receipt.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Finance Policy – External Audit**

Policy Number: **2.1-8**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the External Audit Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: Administrative guidelines for external audits may be developed if needed.

Policy Statement: The Board of Trustees of the Mohawk Valley Library System will annually contract with a professional auditing firm for the purpose of engaging in a full audit or an annual review of the MVLS financial statements. The board will determine the type of service needed and select the firm on an annual basis. In all cases, the auditing firm shall be employed by and shall report to the Board of Trustees, and shall be fully independent of MVLS.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: Finance Policy – Relationship with Related Parties Policy Number: 2.1-9

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Related Parties Policy is addressed in Policy 2.1-0, General Finance Policies.

Legal Citations/Legal Requirements Addressed: Listed in Policy 2.1-0

ALA/NYLA Best Practices Citations: Listed in Policy 2.1-0

Administrative Guidelines: Administrative guidelines for relationships with related parties may be developed if needed.

Policy Statement: The Mohawk Valley Library System works with the supporting organization The Foundation for Mohawk Valley Libraries (The Foundation) in securing funding to further the mission of the Mohawk Valley Library System. Since the Foundation is a supporting organization, all activities of the Foundation are subject to the oversight of the Mohawk Valley Library System Board of Trustees. MVLS policies concerning Conflict of Interest and Code of Ethics apply equally to board members and staff of the Foundation. The By-Laws of the Foundation for Mohawk Valley Libraries govern the operation of the Foundation and dictate the ways in which the Foundation supports the mission of MVLS.

In addition, MVLS may enter into cooperative agreements with other library systems and organizations in the fulfilment of the MVLS mission. In each case, the MVLS board of Trustees must approve all cooperative ventures and agreements with other organizations.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Records Retention & Disposal Policy**

Policy Number: **2.2**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Records Retention and Disposal Policy is to support the mission of the Mohawk Valley Library System by insuring that accurate and relevant information is available on institutional activities. This policy supports effective public library service for community members at member libraries by promoting efficiency and accountability in the use of system resources. All Plan of Service categories are supported by this policy.

Legal Citations/Legal Requirements Addressed: The legal basis of records retention is spread over a wide area of Federal and state law, including various Federal employment laws and acts, and the *Internal Revenue Code*. The retention schedules maintained by the New York State Archives are authoritative and authorized through the *Official Compilation of Codes, Rules and Regulations of the State of New York*.

ALA/NYLA Best Practices Citations: None.

Attachments: The NYS Records Retention and Disposal Schedule MI-1 for miscellaneous local governments, found at http://www.archives.nysed.gov/a/records/mr_pub_mi1_part1.shtml issued pursuant to Article 57-A of the Arts and Cultural Affairs Law, and containing legal minimum retention periods for local government records, is hereby adopted for use.

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address retention schedules for specific MVLS records.

Policy Statement: The Mohawk Valley Library System retains the official institutional records of the organization as stipulated in the NYS Records Retention and Disposal Schedule MI-1. Although not required to comply with NYS Freedom of Information Law, MVLS will make every effort to provide access to institutional records on request, so long as that access does not damage the institutional mission or any other state or federal law, including the Confidentiality of Library Records law. Those who request access to records may be asked to subsidize the cost of copying etc. as allowed for in Freedom of Information Law. The Executive Director is responsible for implementing this policy.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Building Maintenance Policy**

Policy Number: **2.3**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Building Maintenance Policy is to support the mission of the Mohawk Valley Library System by insuring that MVLS property effectively furthers the system's approved mission. This policy supports effective public library service for community members at member libraries through promoting efficiency and accountability in the use of system resources. All Plan of Service categories are supported by this policy.

Legal Citations/Legal Requirements Addressed: NYS Minimum library standards #8 & 9

ALA/NYLA Best Practices Citations:

Attachments:

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: Maintenance Schedules addressing HVAC equipment, vehicles, building exterior, parking lot & walks, security system, and fire/safety inspections.

Policy Statement: The Mohawk Valley Library System maintains its building and property according to approved schedules and priorities. The Executive Director is responsible for oversight of building maintenance. The Director oversees maintenance in the following areas: HVAC equipment, vehicles, building exterior, parking lot & walks, security system, and fire/safety inspections.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Emergency/Disaster Policy**

Policy Number: **2.4**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Emergency/Disaster Policy is to support the mission of the Mohawk Valley Library System by insuring that the system is able to continue to implement its mission during and following a disaster. This policy supports effective public library service for community members at member libraries through insuring that services are still available in a disaster. All Plan of Service categories are supported by this policy.

Legal Citations/Legal Requirements Addressed: None.

ALA/NYLA Best Practices Citations: ALA Disaster Recovery resources are available at: <http://www.ala.org/advocacy/govinfo/disasterpreparedness>

Attachments: None.

Administrative Guidelines: For the effective and consistent implementation of this policy, management is responsible for the maintenance of written administrative guidelines that address the following issues: the MVLS Emergency/Disaster Plan, which will be developed through the dPlan system found at: <https://www.dplan.org/>

Policy Statement: The Mohawk Valley Library System believes that its services are needed during disasters and so makes every effort to continue to provide system services when disaster strikes. MVLS's disaster response plan recognizes the importance of protecting the well-being and safety of system staff and volunteers, of communicating with volunteers, staff and members, and of protecting institutional records. The system will manage risks to system resources through a disaster plan, through appropriate insurance coverage and through a system of backing up institutional records and system service implementation mechanisms. The Executive Director is responsible for effective emergency management.

Approved:

Revised:

MVLS Policy Manual DRAFT

Policy Title: **Public Relations Policy**

Policy Number: **2.5**

Policy Manual Section: Internal Policies 2. Administration

Policy Purpose: The purpose of the Public Relations Policy is to support the mission of the Mohawk Valley Library System by promoting, illustrating and celebrating that mission. This policy supports effective public library service for community members at member libraries through promoting system activities and resources for the benefit of the members and individuals in the service area. All Plan of Service categories are supported by this policy.

Legal Citations/Legal Requirements Addressed: None.

ALA/NYLA Best Practices Citations: None.

Attachments: None.

Administrative Guidelines: Administrative guidelines for public relations may be developed if needed.

Policy Statement: The Mohawk Valley Library System engages in public relations activities in order to support system services, library services at member libraries and an awareness of the impact of libraries in the MVLS service area as well as in the regional community. All MVLS staff and volunteers are charged with contributing to an environment that presents the system and its services in a positive light. All public relations releases and official communications must be approved by the director. The director should be informed of any statements made to the media.

Approved:

Revised: