

# MVLS Management Guidelines

## Section 2: Administration

Title: **Budget Development Guidelines**

Guideline Number: **2.1-1**

### Budget Calendar

The MVLS budget is, by state regulation, a calendar year budget. The budget preparation calendar outline is as follows:

- |           |   |
|-----------|---|
| September | Finance Committee meets to analyze long term trends and set income and expense targets.   |
| October   | The director, with input from the staff, prepares a draft budget.   |
| November  | Draft budget is distributed to the board, staff & member library directors.<br>Budget hearing is held.<br>Budget is approved by the MVLS Board of Trustees. |

### Budget Line Items

The budget line items are recommended by the director and approved by the board. The line items will conform to reporting requirements like the NYS Annual Report and the Unified Chart of Accounts found at: <https://www.notforprofitaccounting.net/wp-content/uploads/2008/08/ucoa.pdf>.

### Budget Amendments

Budget vs Actual reports are reviewed by the trustees at every regular meeting of the board.

The budget is amended as needed to keep actual income and expenses in line with the approved budget. Final budget amendments may take place at the first board of trustees meeting of the following year, after the fiscal year is closed.

Approved: 1/15/2015

Revised:

# MVLS Management Guidelines

Title: **Purchasing Guidelines**

Guideline Number: **2.1-2**

## Purchasing Agent

The MVLS Executive Director, or in the Director's absence the Assistant Director, is the Purchasing Agent of the Organization. All Purchases must be approved by the Director via a Purchase Order or Payment Authorization. Only ongoing recurring expenses, like utilities and telephone charges, are exempt from the PO/Payment Authorization requirement.

## Purchases Requiring Competitive Bids

By OSC regulations, all purchases by a public entity of an item or service that will in aggregate be more than \$20,000 in a fiscal year, and all contracts for public work that are more than \$35,000, must be competitively bid. MVLS may make use of any of the following exceptions to the competitive bid process:

- The OSC has determined that its purchasing guidelines do not apply to public library systems. MVLS is not required to comply with competitive bidding.
- Items or services for which there is a sole source. The *Overdrive* service is an example.
- Items for which there is a valid OGS State Contract. Purchasing library materials through Baker & Taylor is an example.
- Cooperative Purchasing through BOCES or another public agency
- The Professional Services mentioned below

All other purchases above the OSC thresholds must comply with the competitive bidding procedures.

## Professional Services & Insurance

The following Professional Services used by MVLS are not subject to the OSC competitive bidding rules: Legal Services, Audit and Insurance. MVLS will seek competition in procurement of these services through periodic checking of quotes and through requests for proposals.

## All Other Purchases

For all other purchases, MVLS will seek competition in procurement through checking prices with various vendors before POs are produced.

Approved: 1/15/2015

Revised:

# MVLS Management Guidelines

Title: **Payment Authorization/Claims Audit Guidelines**

Guideline Number: **2.2-3**

## Check Inventory Control

Pre-numbered checks are received from the vendor and kept in a secure location. All checks are run through the Quickbooks software; no checks are ever hand-written. All checks are listed in number order on the semi-monthly warrants that are reviewed by the full board of trustees.

## Payment Authorization

The Administrative Assistant prepares each claim and inputs potential payments in the financial software. Each claim will ordinarily include the following: Purchase Order, Packing Slip or other proof of receipt, Invoice and Check (unsigned). The Director reviews the claim package, signs off on each claim and verifies each claim on the warrant list. The treasurer or other board approved signatory reviews each claim and signs the checks. The Administrative Assistant prepares the claims for payment and files copies. The Claims Auditor inspects each claim and signs off on the warrant to confirm that all claims are valid.

## Bank Reconciliation

Reconciliation of the Bank Statements and preparation of the Finance Reports is done by the Finance Manager.

## Separation of Duties

MVLS achieves appropriate separation of duties by delegating specific tasks as follows:

Administrative Assistant – receives POs and invoices, prepares claims & payments

Finance Manager – performs bank reconciliation and prepares financial reports

Director – Approves all POs and claims, reviews financial reports

Treasurer\* - Signs checks, reviews claims & warrants

Claims Auditor – Approves claims & warrants

MVLS Board of Trustees – Reviews warrants and financial reports

MVLS Staff – places orders with approved POs, receives/checks orders

\* Specific additional Trustees are approved to sign checks in the Treasurer's absence

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## MVLS Management Guidelines

Title: **Payment Authorization/Claims Audit Guidelines**

Guideline Number: **2.2-3**

### Credit Card Use and Payments

MVLS maintains specific credit cards for fuel purchases and general credit cards for payments that cannot be made by check.

The Executive Director will issue cards to employees as needed. Cards will be kept in the Business Office when not in use.

Credit cards may be used only for purchases that have been pre-approved via a purchase order or travel authorization form.

When making payments via credit card, employees must submit payment documentation to the Administrative Assistant within one week of the purchase.

Professional employees (Librarians and the JA System Manager) may have access to institutional credit cards.

The following purchase limits will apply: Librarians: \$10,000

JA Mgr: \$25,000

Approved: 1/15/2015

Revised:

# MVLS Management Guidelines

Title: **Cash Receipts**

Guideline Number: **2.2-4**

## Cash Receipts

Receipts are processed by the Administrative Assistant, who keeps a record of all receipts and documents them with the appropriate invoice, contribution record or other record of payment.

Receipts must be in the form of checks or wire transfers. All other forms of receipt must be approved in advance by the Executive Director.

## Bank Deposits

Bank deposits will be performed and/or verified and checked against the receipt register by the Administrative Assistant.

The Finance Manager will reconcile the bank statements and produce financial reports.

The Director will review and sign off on the Cash Receipts records.

Cash Receipts records will be spot checked periodically by the Claims Auditor

Approved: 1/15/2015

Revised:

# MVLS Management Guidelines

Title: **Investment Guidelines**

Guideline Number: **2.1-5**

## Investment Authority

The MVLS Treasurer has authority to invest institutional funds. The Treasurer works with the Executive Director and Finance Manager to develop investment strategies. The MVLS Board of Trustees has ultimate authority over institutional assets. In practice, the Executive Director, working with the Finance Manager, will recommend changes in the institution's deposits in order to meet policy guidelines.

## Diversification, Deposit Security and Collateralization

The MVLS Board of Trustees, at each reorganizational meeting, sets a limit on the total amount that may be kept in one institution. This limit will be informed by the FDIC insurance ceiling, other risk factors and earnings potential. If deposits exceed the approved ceiling, funds must be moved to other approved investment vehicles within 30 days of the time that deposits surpassed the approved limit.

## Permitted Investments

Permitted Investments include the following:

- FDIC secured bank accounts, including money market accounts
- Certificates of Deposit
- Approved New York Liquid Asset Fund investments

Approved: 1/15/2015

Revised: 9/21/2023

# MVLS Management Guidelines

Title:    **Gifts & Contributions**

Guideline Number: **2.1-7**

Relationship with other policy sections

All gift payments made to MVLS must comply with MVLS policy and guidelines number 2.1-4 Cash Receipts. Any gift that would conflict with that policy section must be approved in advance by the Board of Trustees.

A separate policy, 4.4 Gift of Library Materials, regulates the acceptance of gifts of library materials.

Gifts not requiring individual approval

Gifts in the form of cash that are unrestricted and available to support the mission of MVLS may be accepted without individual approval.

Gifts requiring Executive Director approval

Gifts in the form of cash that are temporarily restricted for a particular mission-related purpose, e.g. most grant funds, must be approved by the Executive Director.

Gifts requiring Board of Trustees approval

Gifts that can be categorized as any of the following require board approval:

- Gifts of exchange traded stocks or bonds
- Gifts with a permanent restriction, that is, the principal may not be used.
- Gifts of more than \$1 million.

Gifts that are not ordinarily accepted

Gifts that can be categorized as any of the following are usually not accepted:

- Gifts not in the form of either exchange traded stocks or bonds or cash.
- Gifts with restrictions that are outside of the MVLS mission.

Approved: 1/15/2015

Revised:

## MVLS Management Guidelines

Title: **Records Retention & Disposal**

Guideline Number: **2.2**

Records Retention Schedule: As stated in Policy 2.2, the *Records Retention and Disposition Schedule MI-1*, issued pursuant to Article 57-A of the Arts and Cultural Affairs Law, and containing legal minimum retention periods for local government records, is the official records retention schedule for the Mohawk Valley Library System. Since that schedule includes information on many forms of records that do not apply to libraries or the library system, MVLS will maintain a digest version of the MI-1 schedule as a separate document. This is for convenience only. The official schedule remains the state archives' complete MI-1 schedule.

Public Access to Records: MVLS will make all policies, minutes and meeting information available on the MVLS website. This information is freely available to anyone. Requests for information not available on the website will go through the executive director. Copying charges will be assessed where appropriate. All persons who request records will be informed that MVLS is not required to comply with Freedom of Information Law, but that records will nonetheless be provided where appropriate.

Approved: 1/15/2015

Revised:



# MVLS Management Guidelines

Title: **Building Maintenance**

Guideline Number: **2.3**

## Minimum Maintenance Schedules

**HVAC equipment:** Boilers, rooftop units and related equipment are inspected 2x annually by MVLS staff. Preventative maintenance visits by contractors happen at least once every 2 years.

**Vehicles:** Required annual NYS inspection, semiannual tire changing and regular oil changes as recommended by the manufacturer.

**Building Exterior:** Staff inspects the building at least 2x per year. Photos are taken of any areas that raise concerns. The Building and Equipment Committee does an annual inspection.

In addition, the roof is inspected by the roofing contractor on an annual basis, and any warrantee work is performed.

**Parking lot & walks:** All asphalt surfaces are sealed every 3-4 years.

**Water & Sewer:** Septic tank is pumped every two years.

**Security System:** Vendor inspects and tests the system on an annual basis.

**Fire/safety inspections:** Fire extinguishers are inspected annually. The Building & Equipment Committee does an annual inspection to identify any safety concerns.

Approved: 1/15/2015

Revised:

# MVLS Management Guidelines

Title: **Emergency/Disaster Response**

Guideline Number: **2.4**

## Disaster Plan

The official disaster plan will reside on dPlan at: <https://www.dplan.org/> The username and password for the plan will be kept by the Director and Administrative Assistant.

## Insurance Coverage

MVLS will maintain the following forms of insurance:

- Business Package including \$2 million in replacement cost and \$1 million liability (\$2 million aggregate)
- Auto policy – part of business package
- Umbrella Policy - \$1 million in coverage
- D&O Liability Policy - \$1 million in coverage
- All required types of employee insurance including Workers Comp and Disability

## Data Back-up Plan

All system computer files are stored on the MVLS server, which is backed up daily. A copy of the back-up is kept off-site.

Approved: 1/15/2015

Revised: