Chapter 5. Financial Administration Policy
AMENDED DECEMBER 20, 2018

Section 1. Introduction

I. Audit

An audit of the previous year's financial records is performed each April. The audit is conducted according to the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the standards contained in the *Kansas Municipal Audit Guide.* According to these standards, the audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. The audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

A copy of the audit is delivered to the city's financial office by June 1.

II. Description of Funds

The library uses the following funds to record its financial activities:

The General Fund is used to account for the general operations of the library and all unrestricted revenues and expenditures not provided for in other funds.

The Special Revenue Fund reflects the transactions of specific revenue sources. Such funds used at Leavenworth Public Library include the capital improvements' fund, the gifts and memorials' fund, the library grants' fund, and the employee benefits' fund. The employee benefits' fund levy was adopted on May 9, 1995, according to the Kansas Statute, KSA 12-16, 102, 1987 supl.

III. Processing of Invoices

All invoices are forwarded to the Business Office for payment. Upon receipt, they are stamped and the date received is recorded. If a purchase order is on file, it is matched to its invoice; if not, one is then written. Purchase orders must be attached to all invoices.

After the checks are processed, the President and Secretary of the Board review all invoices to be paid and sign checks for each payment. The Business Manager then prepares the checks for mailing.

The Board of Trustees authorizes payment of the invoices at their monthly meeting.

Invoices for utilities, credit cards, lines of credit, payroll liabilities and contractual services may be paid prior to Board authorization.

The Board of Trustees authorizes payment of the invoices at their monthly meeting.

IV. Library Purchasing (Amended 8/14/2014)

Expenses that exceed the approved amount in an account code listed below must be presented to the Board of Trustees for approval before the expenditure can be made. In an emergency the Director may make the expenditure upon notification of the President of the Board. Any checks for expenses that exceed the approved amount in an account code listed below must be approved separately from the rest of the bills at the Board meeting.

The Library Director may make purchases of equipment and/or services of up to $3,000.00 without Board approval. The Director shall notify the Board of such purchases at the next regular meeting of the Board of Trustees. The Director shall make every effort to secure three quotes from competitive vendors before making the purchase. Purchases for equipment and/or services over $3,000.00 require competitive quotes that must be presented to the Board for approval.

Chart of Account Codes

500	Materials
506	Computers
600	Employee Benefits
601	Salaries
602	Taxes
603	Continuing Education
700	Maintenance and Repair
800	Administrative Expenses

V. Surplus Property

Library equipment or furnishings that are no longer needed may be disposed of in any one of the following ways:

1. Trade in on the replacement purchase
2. Donate to or purchase by a non-profit agency or other library
3. Sell at city or private auction company
4. Recycle by the city
5. Dispose of in trash

VI. Document Storage

The following documents are stored in a safety deposit box, which is leased by the library:

-insurance policies
-current inventory
-copy of emergency preparedness policy
-certificate of deposit bank books

One key is kept at the library and the other with either the Director or the President of the Library Board.

The computer system is backed up daily, including holidays. A full back-up is done once a week and the tape is taken off-site the following morning by the system administrator or other technical services staff.

VII. Investment and Account Signatories

The signatories of each Library certificate of deposit and bank account will be the Board President, Board Treasurer and Library Director.

Approved December 9, 2004
Amended August 14, 2014