

## **Trustee Guidelines for Management of Library Funds**

**Purpose:** It is the responsibility of the LBOT to provide financial oversight of the library's budget, investments, and monies obtained from any source as well as money management practices of daily operations. These guidelines outline operating procedures to provide consistency and transparency in the money management practices of the library.

**Note:** Sources of funds for the library come from the town budget, investments, trust funds, fines accounts, special accounts, fundraising, trusts, donations and other miscellaneous sources.

**Note:** Guidelines can be adjusted by recommendation of the Finance Committee and brought to the board for final approval. Guidelines shall be reviewed by the Finance Committee and LBOT at least once a year along with the investment policy.

**Note:** The guidelines document incorporates RSA 202A:11 and practices at the MPL.

### **GUIDELINES**

1. The Library Director shall spend money for library operations from fines, special accounts, trusts, fundraising or other sources as directed by the LBOT.
2. At the beginning of the fiscal year the Fines and Special accounts shall be funded with \$10,000 each to spend throughout the fiscal year for library programs and activities.
3. The Library Director may spend routine expenses outlined in the trustee budget from both the Fines and Special accounts provided the budgeted line total is not overspent. The approval of the board is needed to overspend any budget line.
4. The Library Director may deposit money into the Special and Fines accounts, however, may not withdraw cash from any account.
5. All money withdrawn from trustee checking accounts must be in the form of a check.
6. All checks are to be documented in Quick Books indicating the amount spent and detailing how the money was spent.
7. The Library Director and appropriate designated staff shall have Quick Book access to all trustee accounts.
8. The library staff will record expenditures in Quick Books, file a copy of the invoice and related documents and submit the invoice along with receipt and related documents to the director. The director will review the invoices. The library staff will cut checks to pay expenditures; the Treasurer signs the check, the library will mail the check.
9. Invoices shall be paid within two weeks upon receipt at the library

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10. Monies distributed from the town trust are to be distributed to the LBOT chair or appointee. (RSA 202-A:22)
11. Donation requests are to be directed to the LBOT for consideration rather than to the library staff. It is at the discretion of the library trustees to make donations to a non-profit or for profit entities. The donation must be for a specific purpose whose intent has a positive impact in the community and relates to the mission of the library.

### **Fines Accounts**

1. Monies from the Fines account shall be used for materials, museum passes, books, media, income generating equipment, supplies for equipment, patron drinks, furniture, building repairs, supplies for repairs, and maintenance supplies.
2. The director may spend monies from the Trustee Fines account to pay for expenses from the copier, income generating equip, replacement materials, and any town budget obligations without prior approval. All other purchases must be pre-approved by the LBOT prior to expenditure.

### **Special Accounts**

1. Monies from special accounts shall be used for programming, materials, supplies, hospitality for the staff and public, dues and subscriptions, membership dues, subscriptions, non-income generating equipment, fees, LBOT expenses, seasonal decor, staff acknowledgments, general supplies and other needs as they arise.
2. The director has the approval from the LBOT to spend restricted funds from the Special Accounts. Restricted funds are donations given with specific instructions for use which include grants, trust funds monies, money from the Friends, and some donations.
3. Use of Special account funds, including general donations, non-resident fees, and the remainder of the passport income, require pre-approval by the LBOT prior to expenditure.

### **Town Budget Related Fund**

1. Monies must be spent from the town budget first.
2. Only the trustees may move money from one line item to another on the town budget.
3. The Library Director shall provide a copy of the town general ledger to the LBOT at each monthly meeting with a detailed account of how funds were expended.
4. The Library Director or Office Manager shall submit a copy of the town manifest to the LBOT at the beginning of each month allowing adequate time for the LBOT to review prior to the monthly meeting.
5. The Library Director or Office Manager shall submit the appropriate invoices related to town budget expenditures to the town finance department for payment.

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6. The board in collaboration with the director will discuss the disposition and expenditure of town monies not spent by the end of the fiscal year and encumber such funds by a vote of the board before the end of the fiscal year.

### **Personnel**

#### **A. Hiring**

The LBOT will meet to approve new library hires after the background check comes through cleared. The prospective employee will cover the cost of the background check. When the background check comes back clear and the prospective employee is hired by the library, they will be reimbursed for the cost of the background check.

#### **B. Library Hires**

The Library Director will bring in new hires at the lowest rate in the pay range if possible. The Library Director has the latitude to negotiate a new hires hourly rate to the mid-range of the positions pay scale without board approval.

#### **C. Funding Staff Positions**

1. The Library Director may not combine funds from one or more positions to create a new position or change a current position without LBOT approval.
2. Funds from any line item on the budget (including established salaries and hourly rates designated for each library position) may not be used to change staff hourly rates or salaries without approval of LBOT.
3. The LBOT will approve all raises or changes in hourly rates and salaries.
4. PARs (Personnel Action Requests) are to be reviewed and approved by the LBOT chair prior to changes being instituted. The LBOT is to be informed of recent PARs at the monthly LBOT meeting.

### **Treasurer**

1. The treasurer reviews how funds were spent to ensure deposits and invoices were entered into the proper account in QuickBooks ie., Fines and Special.
2. The treasurer prepares monthly reports reflecting account transactions and balances for all accounts.
3. The treasurer or the LBOT Chair signs all checks for the library.
4. The treasurer clears and matches bank deposits with quick book transaction entries.
5. The treasurer reconciles the bank statements to Quick Book entries.
6. The treasurer reconciles donations from the Friends of the Merrimack Public Library with the Friends treasurer.

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