

A special account shall be kept of each item of the budget, and the liabilities created against the same charged therein, so that the unexpended balance, if any, may be readily ascertained.

At each regularly scheduled meeting of the board the treasurer of the board of trustees shall submit to the board of trustees an accounting reflecting receipt and disbursement of funds belonging to the library district. RSMO§182.143.

The Treasurer, the Library Director and such other employees as the Board may designate shall, before entering upon the discharge of their duties as such, enter into bond or bonds with a corporate surety, to be approved by the Board of Trustees, in such amount as may be fixed by the Board, conditioned that they will render a faithful and just account of all money that comes into their hands and otherwise perform the duties of their office according to law. The Library shall pay the premium for the bond or bonds from its operating fund. A copy of such bond or bonds shall be filed with the Treasurer of the Board. In case of a breach of the conditions of the bond or bonds the board or any taxpayer of the library district may cause suit to be brought thereon. RSMO§182.296.

An audit of the books and accounts of the Library is recommended annually by a certified public accounting firm appointed by the Board.

No authorization or certification shall be made, and no instrument of payment shall be issued for the payment of any library district indebtedness unless there is sufficient money in the treasury and the proper fund for the payment of the indebtedness and unless the authorization, certification and instrument are in the proper form. RSMO§182.143.

The governing board of any free library district may invest funds of the district. RSMO§182.800.

i. Investments

(See also, Appendix A, “Rock Hill Public Library Investment Policy”).

a. Scope

The Board of Trustees of the Rock Hill Public Library acts as custodians of public funds and, as such, it is subject to very tight restrictions on eligible investments.

In accordance with General Municipal Law and subsequent court rulings, all funds in the Library’s control (including privately raised monies) must be invested in a limited number of financial vehicles.

b. Objectives

The objectives of the Rock Hill Public Library investment activities are to adequately safeguard principal, provide sufficient liquidity to meet all operating requirements, and obtain a reasonable rate of return while adhering to all applicable federal, state, and other legal requirements.

c. Delegation of Authority

Responsibility for administration of the investment program is delegated to the Rock Hill Library Board of Trustees. The Library Board shall establish written procedures for the operation of the investment program consistent with the investment guidelines outlined in this policy.

d. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public interest and shall avoid any transaction that might impair public confidence in the Rock Hill Public Library to govern effectively.

e. Diversification

It is the policy of the Rock Hill Public Library to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

f. Internal Controls

The Library Director and Treasurer are responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with Board of Trustees authorization, are recorded properly, and are managed in compliance with applicable laws and regulations.

i. **Accounts Receivable**

- When a payment is received by the library, the Assistant Director shall acknowledge receipt of the payment by initiating the payment,
- The Bookkeeper shall record that the payment was received, and deposit the payment to the appropriate account.
- The Bookkeeper shall produce a cash flow report for each month. This report shall be reviewed monthly by the Library Board.

ii. **Accounts Payable**

- When an Invoice is received by the library, the Assistant Director or Director uploads the invoice with their initials as approval.
- Invoices are uploaded into QuickBooks by the Bookkeeper, and a list of invoices are submitted to Director, Assistant Director, and Board Treasurer to review. Any invoice over \$500 requires three approvals. The Bookkeeper shall produce a report of unpaid bills for each month.
- The Board reviews the paid monthly bills each month in a report from the Bookkeeper.

- iii. **Cash Management**
 - When cash is received this shall be placed in the register at the front desk.
 - During their next shift, the Assistant Director shall calculate the cash held at the desk and record cash balances.
 - On a biweekly basis, the Director shall audit the cash records, and remove any excess cash, which shall be deposited with the Library's banker. The deposit receipt shall be initialed by the Director and Assistant Director to verify accuracy.
 - No person at the Library shall be authorized to use a debit card, or be able to withdraw cash at will from any Library account. Any individual issued a library credit card shall be required to sign a credit card responsibility statement
- iv. **Payroll:**
 - Employees enter hours electronically on their Excel timesheet.
 - Pay period runs two weeks from Thursday through Wednesday.
 - Payroll must be completed and approved by 3 p.m. the day prior to the payroll service deadline. Payroll service deducts amounts from library account on Thursday.
 - Staff is paid via direct deposit on the Friday immediately following the end of the pay period.
 - The Library Director, along with Assistant Director, verifies hours worked and totals each category of hours to report (hours worked; PTO taken; other leave; etc.).
 - Director initials electronic timesheets and enters totals on payroll service website.
 - Director reviews and verifies preliminary payroll register and payroll summary reports before authorizing final amounts.
 - Director reviews and verifies accrual figures for benefits for each employee.
 - Once payroll is finalized, the Director downloads final payroll register and payroll summary reports and uploads them to the RHPL Bookkeeping SharePoint site in the appropriate folder.
 - Staff receive notification via email of their available pay stub on the Friday of payroll week, which they can log into securely and download.
 - Payroll service is responsible for making monthly payments for federal taxes, and quarterly payments for Missouri taxes.
 - Director maintains accurate and updated paper files for personnel, as well as a master database list via payroll service of each employee.
 - Director reports new hires to payroll service, and ensures that each new employee completes the appropriate tax forms (Federal and state W4s, 1-9) in a timely fashion.
- v. **Income/Expense Reporting**
 - On a monthly basis, the Bookkeeper shall produce a Statement of Financial Position, a Profit and Loss Statement, and a Cash Flow Statement. After review by the Director, reports shall be reviewed and approved by the Board of Trustees.
 - The Board Treasurer and Library Director review the monthly bank reconciliations.
- vi. **Property**
 - Every three years, the Director shall engage a building inspector to perform a routine inspection on the state of the library grounds.
 - The Director shall take appropriate steps to notify the Library Board of any maintenance and repair that is recommended, and take necessary action to have the work performed.

g. Deposit of Public Funds

The Rock Hill Public Library has designated Heartland Bank, Enterprise Bank, Mercantile Bank, Regions Bank, Unions Planters and US Bank for the deposit of public funds. The funds are deposited into a savings account, CD or money market account and transferred as needed to a checking account for

operating purposes. All funds are secured in accordance with the provisions of General Municipal Law.

The Rock Hill Public Library will purchase certificates of deposit from banks and trust companies as defined by the banking law. All certificates of deposit will be FDIC insured up to \$100,000 and no one bank will have more than \$100,000.

Maturities will be staggered to maintain sufficient cash reserves if needed for current operating expenses.

h. Collateralizing of Deposits

All deposits of the Rock Hill Public Library, including certificates of deposits which are in excess of the amount insured under the provisions of the FDIC Act shall be secured in accordance with General Municipal Law.

i. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository and/or a third party bank or trust company subject to security and custodial agreements in accordance with the provisions of General Municipal Law.

j. Permitted Investments

Certificates of deposit in commercial banks and trust companies located and authorized to do business in Missouri.

k. Amendment of Investment Policy

Rock Hill Public Library shall have the power to amend its investment policy from time to time in accordance with the provisions of General Municipal Law.

vii. Anti Fraud

The Rock Hill Public Library will not accept any fraud or corruption and any case will be thoroughly investigated and dealt with.

To achieve this Rock Hill Public Library will:

- Promote an **anti-fraud culture**.
- Ensure that patrons, employees, Library Board members, consultants, contractors and suppliers understand that **fraud is unacceptable** and there are **rules and procedures** in place to report fraud.
- Have **clear roles and responsibilities** in relation to fraud.
- **Share information** with other Libraries to deal with fraud and corruption locally, working within the law.
- **Increase awareness** of fraud and corruption through communication.
- Enable staff and Library Board to document and prioritize any fraud risks.
- **Investigate all allegations** of fraud and corruption.
- Proactively **review how we work** to minimize the risk of fraud.
- Apply **appropriate sanctions** such as disciplinary action, criminal proceedings and recovery of losses when necessary.

Appendix A

Rock Hill "Public Library Investment Policy

Statement of Purpose

It is the policy of the Rock Hill Public Library to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs and complying with all state statutes governing the investment of the public funds.

1. Scope of Policy

This investment policy applies to all financial assets of the Rock Hill Public Library. These assets are accounted for in the various funds of the Rock Hill Public Library and include the general fund, capital project fund, endowment and any new fund established by the Rock Hill Public Library.

2. Investment Objectives, In Priority order

- a) Safety: Safety of principal is the foremost objective of the investment program.
- b) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- c) Return of Investment: The investment portfolio shall be designed with the objective of obtaining rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow from characteristics of the portfolio.

- d) Diversification: The investment will be diversified by security type to minimize potential investment loss.

3. Delegation of Authority to Make Investments

Authority to manage the investment program is derived from Section 182.630 of Missouri Revised Statutes. Management responsibility for the investment program is hereby delegated to the Rock Hill Public Library Director or designee who shall follow the written procedures manual internal controls for the operation of the investment program consistent with this Investment policy.

4. Authorized Investment Instruments

The Rock Hill Public Library funds shall be invested only in a manner permitted with the provisions of the Missouri statutes, and may include To the extent possible, the Rock Hill Public Library will attempt to match its investments any of the following: Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.

- a) Certificates of deposit, savings accounts deposit accounts, or depository receipts of a financial institution provided that the financial institution is eligible to be a depository of funds belonging to the State under a law or rule of the state of Missouri or the United States.
- b) Repurchase agreements with and qualified public depository with anticipated cash flow requirements, unless matched to a specific cash flow, the Library will not directly invest in securities having a maturity date of more than three years from the date of purchase.

The Rock Hill Public Library will require all deposits in excess of the federally insured amount to be collateralized to the extent of One Hundred and Ten Percent (110%) and evidenced by an approved written agreement with collateralization by a third party acting as an agent of the Library.

5. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Rock Hill Public Library shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Library Director and evidenced by safekeeping receipts as determined by the Library Director (or designee of the Library Director).

6. Statement of Ethics

The Library Board of Directors, Library Director and her designee shall refrain from personal business activity that could conflict with the proper execution and management of the library investments, or that could impair the ability to make impartial investment decisions.

7. Investment Activity Report

The Rock Hill Public Library Director shall provide a written quarterly report to the Library Board concerning the investment of library funds.