



## Asset Management Policy

The James V. Brown Library has established these policies to ensure that library assets are managed properly to maximize the delivery of services to the community. These policies may be amended by the Board of Trustees at any time.

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### Accountability

#### 1. Conflict of Interest

The library has an up-to-date conflict of interest policy as part of the James V. Brown Library Board Policy. All members have read and accepted this policy statement.

#### 2. Bidding

Equipment acquired through grant funds will comply with all bidding requirements of the grant. Purchases of equipment, services and facility repair that exceed \$5,000 will be put out to bid when there are multiple vendors or providers capable of providing the desired items or services. Bids may be solicited through direct contact, letter or public advertisement. Bids for professional services such as accounting and payroll will be requested when deemed appropriate by the Executive Director or CFO. Request for proposals (RFPs) will be prepared and sent to qualified firms in the same field. The Facilities Professional will secure and provide three bids on repair and renovation projects beyond the scope of the operating budget for review by the Facilities Committee."

#### 3. Annual External Audit

The accounts and financial activities of the James V. Brown will be audited annually by an outside CPA firm. The Board or Trustees will review the audit report and the corresponding Management Letter. The Management Letter is presented directly to the Board at a meeting with the auditor during which the audit is reviewed. The Boards will implement the recommendations of the Management Letter as they relate to the best practices in financial controls and oversight to the extent possible. The auditors will also prepare and file the tax return of the library. The 990 is available for public view on the website.

#### 4. Finance Committee

The Board has a standing Finance Committee that oversees the financial management of the James V. Brown Library. Every expenditure of the organization is in some way approved by the Finance Committee and upon recommendation of the Finance Committee, presented to the full board for final approval.

The committee approves the budget for the general fund and the capital improvement fund. The general fund manages all the necessary and ordinary expenses of the library. Any changes to the budget must be recommended by the Finance Committee and approved by the full board. At the regular monthly board meetings, the board reviews actual vs. budgeted financial reports. This committee works closely with the personnel committee to recommend approval of annual salary expenses and merit increases.

The Capital Improvement Fund has been set up to have a source of funds for capital expenditures, unforeseen expenses and funds that are restricted for a specific purpose. The finance committee must approve and present to the full board all capital expenditures. Budgets are maintained for restricted funds.

The finance committee also oversees management of the Endowment Fund. The funds are to be perpetually invested and the income, an amount determined by the finance committee, is to be used for the maintenance of the library. Every time the Library receives an unrestricted bequest the CFO will work with the Finance Committee to determine if those funds should be invested in the Endowment Fund, Capital Improvement Fund or used in the general fund for ordinary expenses. Additions or withdrawals from the Endowment Fund are recommended by the finance committee and approved by the full board.

The Finance committee also oversees the management of two trust accounts.

The Library has been named the sole beneficiary of the Barbara Wright Trust, which is a private trust. The Library has no control of this Trust but receives an annual distribution of the Trust.

The Library has been named the beneficiary of the Margaret Kane Trust, which is designated as a perpetual trust. The library receives an annual disbursement from this account.

The Finance committee also reviews the audits as presented by audit firm and 990's.

The Finance Committee also periodically reviews the Library's insurance coverage in order to ensure the Library, Board of Trustees and Employees are adequately protected.

## **5. Annual Report**

The Library is required to prepare an annual report to the PDE, Office of Commonwealth Libraries. This report includes both statistical and financial information on the Library and is prepared by the Executive Director and the CFO.

## **6. Data Protection**

The IT department of the Library has the responsibility to ensure the integrity, security and safety of Library data. The James V. Brown Library utilizes Polaris as its library automation system. Polaris is web based and housed by the vendor. The agreement with Polaris includes their assurance that the files are backed up continuously. Our Payroll is outsourced to iSolved which is also web based. Our financial software, QuickBooks, is backed up daily and is stored in-house on a secure server.

Individual's files are backed up on a regular bases using both in-house servers and cloud based storage methods.

## **7. Inventory**

The Business Office maintains a comprehensive listing of fixed assets. Any purchases which meet the requirements to be capitalized are added to the list and assets no longer in use are disposed of and removed from the list. Each year the Business Office prepares the entries to record depreciation. The Technical Services Department maintains an inventory of all catalogued items in the library's collection.

## **8. Certificate of Authority**

The Board of Trustees of the James V. Brown Library, via a resolution noted in the Board minutes has granted contractual authority to bind the organization on all purchases, leasing agreements, contracts and so forth to the following:

- Executive Director
- Chief Financial Officer
- President, Board of Trustees

## **9. Legal Protection for Board and Staff**

It is the policy of the library to protect and represent all members of the Board of Trustees and staff from any legal action taken against them in accordance with the performance of their job duties.

## **Transparency**

### **1. 990**

The public disclosure copy of the Library's 990 report is posted in PDF format on the website.

### **2. Board Meetings**

Dates, times and locations of Board meetings will be posted on the website and in the building.

### **3. Policies and Procedures**

All library policy and procedure manuals are available for public inspection.

## **Fraud Prevention**

### **1. Whistle Blower Protection**

The Board has adopted a policy protecting employees reporting suspected misconduct of any type.

## **2. 990**

The Library Director reviews and signs the 990 and it is made available to every Board member.

## **3. Loans**

It is the policy of the library not to provide loans to staff and/or Board members.

## **4. Separation of Duties**

The library utilizes the Internal Control Audit in the Pennsylvania Public Library Accounting Manual to identify weaknesses in internal controls and to the extent staffing allows provides for segregation of duties. It is the policy of the library to ensure an adequate segregation of responsibilities with regard to all aspects of the financial operation of the organization to the extent possible to include receipts, bank deposits, bank statement reconciliations, invoice approvals, check preparation, check signing and expense reimbursement approvals. Additionally, the library will request that the independent CPA firm it retained study staffing and recommend improvements in segregation of duties.

## **5. Authorization to Open Bank Accounts**

The Executive Director and CFO are authorized to open up bank accounts following board approval. Opening or closing an account requires board authorization. The President, Vice President and Treasurer of the Board of Trustees, the Executive Director and CFO are to be on the check signing authorization card for all accounts.

## **6. Check Signers**

It is the policy of the library to give check-signing authority to the following position:

- Executive Director and Chief Financial Officer
- The President, Vice President, or Treasurer of the Board of Trustees

Checks issued for payment of the library's invoices will require two signatures. One of the signatures will be the Director or CFO. The other signer will be a designated officer of the Board.

Individuals involved with check preparation are prohibited from having check-signing authority.

A stamp with the name of the Board officer will be maintained by the Director's Administrative Assistant for use only when other signatures cannot be obtained in a reasonable and timely manner. At no time are the signature stamps kept in the control of the business office staff that prepares the checks or in the control of any authorized signer.

## **7. Fraud Use Assessment**

The library has identified the following as areas where the potential for fraud exists and implemented checks and balances to mitigate risk:

Ghost Employees – the payroll report with names and amounts is reviewed by the CFO at least quarterly.

Expense Accounts – receipts for all expenditures for which employees request reimbursement are attached to the Request for Reimbursement, which lists the date and nature of travel.

Theft from Cash Received – the library uses cash registers to monitor receipts. Receipts are compared to point of sale reports for verification.

The Employee's Supervisor signs off on all Requests for Reimbursement. A member of the Board approves the Director's Requests for Reimbursement.

Approved by the James V. Brown Board of Trustees on October 19, 2023.