

General Finance Policy
Poplar Bluff Municipal Library District
Library Board of Trustees
Approved November 6, 2017
Revised July 12, 2021

I. General Statement.

The Poplar Bluff Municipal Library District (the District) Board of Trustees (Trustees) has a key responsibility to seek and secure funding from public and private sources and to monitor those funds supporting the long-term sustainability of the library district. By Missouri statute, the library director administers the board approved budget. The Board has the responsibility to hire the director. To ensure transparency regarding the use of public money, the director presents monthly financial reports to the board and proactively makes them available to the public. The library district's financial records are audited yearly by a certified public accountant. These audits are made available to the public and published on the library's web site. The district maintains insurance adequate for the protection of district staff, the Board of Trustees, and District owned assets.

The District's fiscal year is January 1 through December 31. Revenues and Expenditures are recorded on a modified cash basis.

II. Statutory Authority.

By State statute, the district has the legal authority as a political subdivision (182.480 MoRS) to acquire the revenue, land and facilities needed to maintain the District through appropriate sales tax collections, property tax levies, fines, fees, grants, donations, and investments, and to spend it as recommended by the Director of the Library and as approved by the Trustees. The District is funded solely by a ¼ cent sales tax in the city limits of Poplar Bluff approved by the voters on June 5, 2012. The District's property tax rate is set to zero and no property tax has been collected beginning with the 2012 fiscal year. The District may statutorily reinstate the property tax in an even numbered year if so voted by the Trustees at its August meeting.

III. Banking.

All funds are deposited in the General Revenue account.

Reserve Account. Per instructions of the Trustees, funds may be transferred into the Reserve account from the General Revenue Account. Funds transferred out of the Reserve Account must have Board of Trustees approval by roll call vote. Funds transferred must be at the District's banking institution with the President or Treasurer of the Board of Trustees and Library Director present.

General Revenue Account. All funds collected by the District are deposited into the General Revenue Account.

Payroll Account. Funds are transferred from the General Revenue account into the Payroll account for payroll related expenses every two weeks and at least two days prior to payroll withdrawals for employees' direct deposit accounts.

Operating Expense Account. Funds are transferred to the Operating Expense account for payment of bills with a goal to maintain a minimum balance of \$1,000.00 in this account. Transfers are not to exceed actual billing amounts as monitored by the Assistant Director and Business Services Associate. Operating expenses are paid at least twice per week. All expenditures must be assigned to a budget expense category by the Director. All expenditures must have an invoice or other documentation showing the recipient, purpose, date and amount of the expenditure. All expenses must follow the Trustee's approved purchasing policies of the District.

The Trustees at its regular monthly meeting approves all expenditures by roll call vote and is so noted in the Minutes of the Trustees.

Accounts. No bank account can be opened, closed or transferred in the name of the District without prior Trustees approval and must have all appropriate signatories.

Signatories. President, Treasurer, Director and Assistant Director.

Bank Cards. The library has two bank cards; one is issued to the library director, and one to the assistant director, with each having a credit limit. In no case should the director's and assistant director's combined credit limit exceed \$30,000 in a total billing period. Additional bank cards may be issued only for professional staff with no more than \$1000.00 credit limit each or a combined credit of \$5,000.00. Each card will be identifiable by the staff member's name and the Poplar Bluff Municipal Library District. These cards are to meet the monthly purchasing needs for these professional staff: Children's and Youth Service Librarian, Adult Services Librarian, Facilities Services, IT Coordinator, and

Collection's Management Librarian. In no case should the total credit limit for all cards exceed \$35,000.

Banking services. Banking services are bid and awarded for a minimum of five years with the option to renew for two more years. In no case will the District exceed seven years without bidding for banking services.

IV. Fiscal Procedures.

The District follows fiscal procedures consistent with state law in preparing, presenting, and administering its budget. The District adopts a general budget in the November Trustees meeting preceding its fiscal year starting January 1 after it has been presented in October for discussion by the Trustees. The budget is developed by the District's full-time staff for presentation to the Board. The budget is developed into a balanced budget meeting the District's mission statement and strategic goals incorporating the staff's individual District goals. Included in the budget is a ten percent reserve not including carryovers from the previous fiscal year. The budget is approved by the Board in a roll call vote.

The District operates on a zero balance budget. At the end of the fiscal year each budget category reverts back to the new balance for the new fiscal year.

If revenue and expenses meet expected projections, the ten percent reserve is released for staff to spend as budgeted.

The budget is revised twice during the year: March and October.

Explanation: This gives District management an opportunity to track spending and to modify the budget as necessary to cover any unusual expenses such as extraordinary repairs, equipment replacement and/or personnel costs as well as monitor the revenue stream in relation to budget expenditures. In addition, it allows the staff to amend goals as spending priorities change due to changing social environments and patrons' demands.

The District will not run a deficit budget balance.

V. Trustee Approval of Monthly Expenditures.

The director presents financial and statistical reports for review at each meeting of the board and makes them available to members of the public. A Fiscal Budget comparison for the current month and year to date is presented to the Board of Trustees at the

monthly Board meeting. This report includes percentage spent of each budget line and shows benchmarks in relationship to District goals and percent of year passed. The director reviews a monthly cash flow report. This allows her to monitor sales tax revenue receipts in relationship to cash flow and demands on cash balances. The director and the Board of Trustees in the monthly board meeting discuss and analyze the year to date spending and revenue flow.

By roll call vote, the Trustees approve the District's monthly expenditure.

VI. Reserves.

The District maintains its financial reserves at levels sufficient to pay obligations when due, addressing emergencies, covering temporary revenue shortfalls, providing stability throughout economic cycles and protecting the District's creditworthiness in accordance with applicable federal, state and local laws, and established best governmental practices.

If reserve funds fall below the Reserve Fund Goals, the District will replenish the funds in no less than two budget cycles unless, the Board of Trustees declares financial exigency and in roll call vote approve a reasonable amount of time to replenish these funds. The Trustees will instruct the Director of the Library to set such budget(s) and budget goals to accomplish this replenishment.

Reserve Fund Goals: The District will maintain a reserve equal to at least 75 percent of the previous year's operating budget for:

- facilities maintenance such as electrical upgrades and repairs,
- roof and structure repair and replacement,
- elevator repair and replacement,
- security equipment,
- extraordinary grounds maintenance and landscaping,
- parking lot repair,
- plumbing upgrades, repairs, and replacements,
- HVAC repair and replacement,
- furnishings upgrades and replacement,
- information technology upgrades, replacements, and implementation of new technologies, and
- interior remodeling needed to meet new programming initiatives for service or to meet statutory compliance.

(Some items in the above examples may be covered by insurance claims. Deductibles and other needs associated with repair and replacement will be budgeted appropriately and as approved by the Trustees.)

Also, these funds are to be maintained to cover expenses in the case of natural disaster or financial exigency caused by a dramatic downturn in local, state, or national economics in order to continue to provide library services and to aid the local community in recovery from natural disaster or financial hardships. The above lists may not be exhaustive or prescriptive in scope but provide examples regarding use of District reserves.

VII. Audit.

The District will have an annual audit as required by Missouri state law (105.145, RSMo) by an independent C.P.A. firm with experience in governmental accounting. Budgets are completed in accordance with Missouri state statute and the Missouri State Auditor's office. The audit of the previous fiscal year is submitted to the Missouri State Auditor's Office prior to July 1 during each fiscal year.

Bids for auditing services are issued every three years with the option to renew for two more years. In no case will the District exceed five years without bidding auditing services.

VIII. Insurance.

The District will have insurance sufficient to protect the district, its staff, Trustees, and its public and with a sovereign immunity clause.

Bids for insurance are issued every three years with the option to renew for two more years. In no case will the District exceed five years without bidding insurance services.

IX. Investments.

The District may invest its operating funds and reserves in any legally-sanctioned investment instrument, so long as the mission of the District is not negatively impacted.

The District will invest its funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands and complying with all applicable state statutes governing the investment of public funds.

A separate Investment Policy may govern District investments.

All investments must abide by statutory requirements and the Library's Investment Policy.

X. General Counsel.

The District will engage General Counsel for the review of library policies, personnel matters, construction documents, contracts, investments, and property acquirement and disposal.

Bids for General Counsel services are issued every three years with the option to renew for two more years. In no case will the District exceed five years without bidding General Counsel services.

XI. Conflict of Interest.

The District will have a Conflict of Interest Policy as prescribed by the Office of the Missouri Attorney General.