

Windsor Library Association

Finance and Control Policies

Adopted November 19, 2018
Amended on: January 16, 2020
Amended on April 29, 2021

Philosophy

The purpose of financial management in the operation of all Windsor Library Association (WLA) activities is to fill the organization's mission in the most effective and efficient manner and to remain accountable to stakeholders, including clients, partners, funders, employees, and the community. In order to accomplish this, the WLA commits to providing accurate and complete financial data for internal and external use by the President and the Executive Committee (Committee).

Authority

The Committee is ultimately responsible for the financial management of all activities. The Treasurer is authorized to act on the Committee's behalf on financial matters when action is required in advance of a meeting of the Committee.

- The President, Treasurer, and Assistant Treasurers are responsible for the day-to-day financial management of the organization. The Committee authorizes the President and Treasurer to hire and supervise independent consultants, pay bills, receive funds, and maintain bank accounts.
- The Treasurer and Assistant Treasurers are authorized to sign checks up to \$2,500 or the amount approved in the annual budget. Checks for amounts greater than this shall require two signatures, one of which must be the Treasurer or President.
- The President is authorized to enter into contracts for activities that have been approved by the Committee as a part of budgets or plans. The Committee must authorize any contracts outside of these parameters and all contracts with a financial value greater than \$2,500 or greater than an amount previously approved in the annual budget.
- The Treasurer is authorized to manage expenses within the parameters of the over-all approved budget, reporting to the Committee on variances and the reason for these variances.
- The Committee must approve any use of any designated cash reserves.

Responsibilities

The Treasurer shall:

- Report the financial results of WLA operations according to the schedule established by the Committee, but at least quarterly.

- Pay all obligations and produce required reports in a timely manner.
- Coordinate the completion and filing of all required tax and business filings.
- Prepare the Annual WLA Budget.
- Make no contractual commitment for bank loans, corporate debit cards, or for real estate leases or purchases without special approval of the Committee.
- Limit vendor credit accounts to prudent and necessary levels.
- Obtain competitive bids for items or services costing in excess of \$5,000. Selection will be based on cost, service, and other elements of the contract. WLA may award the bid to any provider and is not required to accept the lowest cost proposal.

The Executive Committee shall:

- Review financial reports at each board meeting.
- Provide adequate training to members to enable each member to fill his or her financial oversight role.
- Provide ultimate financial oversight to the WLA.

The Investment Committee shall:

- Report on the performance, investment characteristics, and investment strategy of the endowment portfolio to the Executive Committee at least quarterly.
- Account for donor restricted and board designated funds in the investment portfolio separately from general operating funds, and clearly designate the restrictions applicable to these funds.
- Be responsible for initiating the purchase, sale, or exchange of investments.
- Be responsible for determining the definition and calculation of the investment income to be used for the preparation of WLA's annual budget.

Financial Transactions with Insiders

Direct and necessary expenses for meetings and other activities related to carrying out responsibilities shall be reimbursed.

In no case shall the WLA borrow funds from any officer or member of the organization without special authorization from the Committee.

Budget

In order to ensure that planned activities minimize the risk of financial jeopardy and are consistent with Committee-approved priorities, long-range organization goals, and objectives, the Treasurer shall:

- Submit budgets to the Committee in time for reasonable approval prior to each fiscal year.

- Use responsible assumptions and projections as background, with the general goal of an unrestricted surplus.

Asset Protection

In order to ensure that the assets of the WLA are adequately protected and maintained, the President, Treasurer, and Assistant Treasurers shall:

- Insure against theft and casualty losses to the organization and against liability losses to Committee members, or the organization itself to levels indicated in consultation with suitable professional resources.
- Plan and carry out suitable protection and maintenance of property, building, and equipment.
- Avoid actions that would expose the organization, its Committee, or its staff to claims of liability.
- Receive, process, and disburse funds under controls that are sufficient to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Investments

As officers of the WLA, the Committee acts as fiduciaries of the endowment funds. They have delegated to the Investment Committee responsibility for the development of investment policy, implementation of policy through the selection of investment vehicles/managers, and for monitoring endowment performance and compliance with policy.

Endowment funds are:

- Expected to support the WLA in perpetuity. Therefore, investment goals should provide a total return which maintains the real value of fund assets over time.
- Distributions are needed and used to support annual operating needs of the WLA and to provide for discretionary expenditures as needed for improvements and/or expansion of the Wilson Branch Library.
- The objective for the WLA endowment funds is for the value of the investment portfolio to grow with inflation after investment distributions. With this policy, annual spending will typically fall between 2-4% of endowment value.

Debit Card Policy

An organizational debit card provides the Windsor Library Association with the ability to efficiently make purchases on behalf of Windsor Library programs and services funded by the WLA and approved in the WLA annual budget.

Guidelines

- The Committee will approve the issuance of all WLA debit cards.
- Debit cards will be issued in the name of the President of the Windsor Library Association. Upon the installation of a new President, the past President will surrender any and all debit cards to Windsor Federal Savings and Loan for destruction. A new debit card will be issued in the name of the incoming President.
- The card will have an authorized spend limit of \$500 per purchase, and a maximum authorized spend limit of \$2,200 per month. For purchases that will exceed these limits, additional authorization from either the WLA President or Treasurer is required.
- The WLA President may share the debit card number with the Director of Windsor Public Library for use towards the purchase of goods or services for previously approved WLA-funded programs and/or activities of the Windsor Public Library. The card and card number may be used only for the purchase of approved goods or services.
- All program purchases will be within current budget line item amounts and the authorized spend limits detailed above. Purchases will not be made on behalf of unapproved programs or activities.
- The President of the WLA is responsible for the protection and custody of the WLA debit card, and shall immediately notify the debit card company and the WLA Treasurer if the debit card is lost or stolen.
- The Director of the Windsor Public Library must surrender the debit card number to the current WLA President or Treasurer when requested.

Report Requirements

Debit card statements, along with receipts for all items to be paid by the WLA, will be reconciled on a monthly basis by Windsor Public Library staff and the WLA Treasurer. Receipts must show the date, purpose, and name(s) for which the expense was incurred.