

Financial Policy

Policy Statement

As a Michigan city library¹ the Rochester Hills Public Library is required to adopt financial regulations and to comply with state statutes².

Regulations

1. The library board annually holds a public hearing and approves a budget.
2. An annual, independent, outside audit is conducted.
3. The library board has a written financial plan.
4. The library board has a written investment policy.
5. The bookkeeper will prepare a monthly report for the board covering cash flow, investment report and a list of checks issued.
6. The library board has written financial procedures governing the receipt of checks, frequency of bank deposits, petty cash levels, authorized spending levels for the library director, number of required signatures on checks and the approval process on contracts exceeding \$10,000.
7. Contracts \$50,000 or over may be sent to the library's attorney for review before being presented to the library board for approval. Other contracts may be reviewed by the attorney at the board's discretion.
8. The library has a petty cash fund (\$500 for expenses and \$1,000 for change machine) that is available to staff members, authorized by the library director, for the purchase of materials under \$100. Written documentation including a description of what the purchase is for and a receipt are required before the employee is reimbursed for the expenditure.
9. The library director shall authorize specific employees to use the library's charge card for the ordering of materials, supplies, services and other library expenditures. Receipts and a voucher must be submitted to the library's bookkeeper who will reconcile the monthly charge card statement.

Approved: September 8, 2008

Rochester Hills Public Library Board of Trustees

¹ P.A. 164 of 1877 et seq. City, Village and Township Libraries Act

² P.A. 2 of 1968 et seq. Michigan Uniform Budgeting and Accounting Act, and P.A. 34 of 2001 et seq. the Revised Municipal Finance Act