



Jackson County Public Library

INTERNAL CONTROLS

This policy has been developed to provide reasonable assurance regarding the library's accounting system that:

- Adequate separation of financial duties exists;
- Documents and records are properly maintained and safeguarded;
- Physical control over assets and records are limited to appropriate personnel;
- Transactions receive proper authorization prior to being completed.

The Administrative Assistant is the bookkeeper for the Jackson County Public Library and is responsible for preparing vouchers and checks. The Administrator/Treasurer is the back-up in the absence of the Administrative Assistant. The Administrator/Treasurer oversees the Administrative Assistant and reviews all financial reports and transactions. The Director reviews and signs off on the register of claims and monthly vouchers.

The library follows the Indiana State Board of Accounts Accounting and Uniform Compliance Guidelines Manual and uses the State Board of Accounts approved AVC accounting system to properly track funds, receipts & disbursements. The Administrator/Treasurer and Administrative Assistant attend the AVC Annual Meeting to learn about upgrades and new software.

The library board approves an annual budget with Indiana Department of Local Government Finance approved funds and allocations.

ACCOUNTS

The library will maintain a minimum of two bank accounts. All banks are notified on an annual basis of any changes of authorized signers. Bank accounts are a Business Money Market, Sweep Account, and Analysis Business Checking for deposits and checks as well as a Business Checking Account for Flexible Spending at PNC Bank and Public Funds Interest Checking for the Library Improvement Reserve Fund (LIRF) and a Public Funds Checking Account for payroll pass through at First Financial Bank.

Bank statements must be reconciled by the Administrative Assistant on a monthly basis and reviewed by the Administrator/Treasurer. The Administrator/Treasurer must receive the bank statements, unopened, from the bank. All check numbers must be accounted for. Outstanding checks are reviewed monthly. Annually in January, any outstanding checks that are two years old are canceled and receipted back into the proper fund and allocation.

Seymour Library
303 West Second Street
Seymour, IN 47274

Tel: (812) 522-3412
Fax: (812) 522-5456

Crothersville Library
120 East Main Street
Crothersville, IN 47229

Tel: (812) 793-2927
Fax: (812) 793-3721

Medora Library
27 West Main Street
P.O. Box 400
Medora, IN 47260

Tel: (812) 966-2278
Fax: (812) 966-2229

Outreach Services
Serving Jackson County
Tel: (812) 522-3412 x1241

www.myjclibrary.org

CASH RECEIPTS

Employees at circulation desks handling cash will have the necessary knowledge and skills to perform the job and will be carefully trained and supervised. Each employee has a unique log in to the cash register and Evergreen Indiana.

- Incoming cash at the Seymour Library must be counted at close by two staff members, who initial and note amounts on a form at each cash register, and then counted again in the morning before opening by either the Administrative Assistant, Administrative Clerk, or Administrator/Treasurer.
- Crothersville and Medora Library staff count the cash register drawers nightly, initial and note amounts on a form and send their cash register receipts, cash and checks up to the Administrative Assistant or Administrative Clerk in a locked money bag on a weekly basis. The Administrative Assistant will generate the Evergreen Indiana report for each branch to balance and then complete a deposit slip.
- The Outreach Services staff bring their money into the Seymour Library and run through a cash register at the Seymour checkout desk. The Administrative Assistant or Administrative Clerk will generate the Evergreen Indiana report for the Discovery Bus to balance and then complete a deposit slip.

Cash receipts are usually deposited within 3 days of receipt or when the deposit amount exceeds \$500, whichever comes first. Incoming checks must be endorsed with the library stamp when deposited. A cash report is generated through Evergreen Indiana by the Administrative Assistant, Administrative Clerk, or Administrator/Treasurer, and the figures from the cash report are compared with the cash register receipts, cash and checks that were collected. Any discrepancies are noted on the report and investigated by the Administrative Assistant or Administrator/Treasurer.

All receipts will be deposited in the same form in which they were received into the appropriate fund (Operating, Building, and Gift). The Administrative Assistant or Administrative Clerk will complete the deposit slip and take the deposit to the bank. Duplicate deposit slips are retained in a book kept in Administration. The Administrator/Treasurer or Administrative Assistant will put receipts into the AVC accounting system after looking at the reports. The Administrative Assistant, Administrative Clerk, and the Administrator/Treasurer each have unique passwords to access the AVC accounting system. Those passwords are changed every 90 days. The system tracks who has added or changed any information.

Contributions to the Building Fund or Gift Fund are acknowledged by the Administrative Assistant or Administrative Clerk and noted in the AVC deposit record. Copies of the acknowledgment letters are kept in a Google document with access by the on the Administrative Assistant and Administrative Clerk.

PETTY CASH

The library keeps \$50 in petty cash for small, incidental expenses in the safe in Administration.

All purchases made with petty cash must have a receipt accompanied by a Petty Cash Account Form. The Administrative Assistant reimburses the Petty Cash through a voucher at a board meeting.

CASH DISBURSEMENTS

All budgeted expenditures must fall within approved budget allocations. Indiana Code allows money to be moved by library staff within major budget categories. Money being moved between major budget categories requires board approval. Additional appropriations to another fund from the Library Improvement Reserve Fund or Rainy Day Fund must be approved by the Department of Local Government Finance.

Supporting documentation must accompany vouchers when presented for signature. All non-recurring disbursements are made by check. Recurring disbursements may be set up electronically with on-line banking. Only pre-numbered checks shall be used and always in sequence. Signing of blank checks is strictly prohibited. Checks must be made payable to a specific vendor and never to “cash” or “bearer”. Checks must be prepared from State Board of Accounts Form 101 (Mileage Claim), Library Reimbursement Form with receipts, Pre-Paid Purchase Order or vendor invoices only and not from a vendor statement. All checks are required to have two signatures, the Treasurer and either the Library Board President or Vice President. The Administrative Assistant has signature stamps for the Administrator/Treasurer and President, located in the safe, to use when necessary. Access to blank checks is limited to Administrative Assistant and Administrator/Treasurer. Blank checks are locked in a secure file cabinet when not in use. Any voided checks must be marked “Void”, and retained in a secure place. Financial reports will be presented to the board of directors for review on a monthly basis. Reports to be shared with the Board of Trustees each month include, but are not limited to:

- Register of claims (must be signed by Board members present each month)
- Financial Report (must match bank balances report)
- Fund expenditure reports
- Receipt listing
- Bank balances report (must match financial report)

The Administrative Assistant or Administrative Clerk mails checks the day after each board meeting.

The Administrative Assistant maintains a file of unpaid invoices through each board meeting. Paid claims and monthly vouchers are kept in a fire safe and banker’s boxes in Administration until audited. The library follows the record retention schedule that is mandated by the State Board of Accounts.

Staff authorized by the library to make routine purchases are the Library Director, Library Administrator, Maintenance Specialist, Head of Youth Services, Head of Collection Development, Circulation Manager, Information Services Manager, Information Technology Specialist, Administrative Assistant, Administrative Clerk, and Technical Services Clerk.

PAYROLL

Each employee is responsible for clocking in and out using time clock software and keeping an accurate record of hours. Employees must sign and turn in their time sheets to their supervisors by the time and date requested by the supervisor. Supervisors must approve, sign and turn in their approved department's time sheets by 10:00 am on the Monday following the pay period. Employees who do not submit time sheets on time cannot be guaranteed correct payment on the scheduled pay date.

All library employees are paid through the AVC accounting system by direct deposit into an account at the financial institution of their choice. Depending on the financial institution, funds may be available for withdrawal at the beginning of the pay date business day. Deposits are made every other Friday unless the pay date falls on a holiday.

Automatic deductions from payroll include federal income tax, state income tax, FICA, county income tax, court-ordered garnishments, and insurance when applicable.

Voluntary automatic deductions can be made for Hoosier S.T.A.R.T., additional INPRS, flexible spending account, supplemental insurance and United Way.

In the event that there is an error in the amount of pay, the employee should promptly notify the Administrative Assistant, so that corrections can be made as soon as possible.

Withheld employment taxes, employer taxes, and most deductions are paid with each payroll. Insurance is paid monthly.

FIXED ASSETS

Assets worth \$5,000 or more are maintained by the Library Administrator/Treasurer and Administrative Clerk in the AVC accounting system fixed asset program. Each record includes description of item, serial number (if available), location, date of purchase, purchase price, and disposal date.

The fixed assets program is updated as needed and reconciled annually.

RISK ASSESSMENT

All erroneous or irregular material variances, losses, shortages, or thefts of Library funds or property, or funds or property the Library holds in trust, shall be reported promptly to the Library Director or the Board of Trustees of the Library.

Any erroneous or irregular material variances, losses, shortages, or thefts of **cash** in excess of \$500, except for inadvertent clerical errors that are identified timely and promptly corrected with no loss to the Library, will be reported promptly to the State Board of Accounts.

Any erroneous or irregular material variances, losses, shortages, or thefts of **non-cash** items in excess of \$2,000, estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified timely and promptly corrected with no loss to the library, and except for losses from genuine accidents, will be reported promptly to the State Board of Accounts.

The Administrator/Treasurer is bonded, and all other employees are covered under a blanket bond.

The AVC accounting and payroll system is backed up on a daily basis into a secure online location.

REPORTING

The Administrator/Treasurer submits quarterly Internal Revenue Service Form 941 Federal Tax Return with Schedule B for semi-weekly schedule depositors and Indiana Department of Workforce Development Report in January, April, July, and October.

The Library Director and Administrator/Treasurer submit the Indiana State Library Public Library Annual Report and State Board of Accounts Library Annual Report by March 1 each year. Both will participate, sign a copy of the submitted report, and keep a copy on file.

The State Board of Accounts conducts examinations of library records. After each audit, the Director, Administrator/Treasurer, Administrative Assistant, and President of the Board of Trustees (if available) participate in an exit interview.

Adopted November 21, 2016, Revised December 10, 2018