

The financial resources of Baldwin Public Library (BPL) are the responsibility of the BPL Board of Directors (Board). The Board will:

- provide guidelines for management and allocation of financial resources which will produce optimum benefit for those we serve.
- monitor and evaluate the financial plans and Purchasing Guidelines of BPL to ensure the financial integrity of BPL.

BUDGET

The BPL fiscal year starts on the first day of July and ends on the last day of June. An annual operating budget will be prepared by the Director and presented to the Board for approval at the regularly scheduled March Board meeting, prior to the start of the next fiscal year. The budget will reflect the cost of carrying out the programs and services of BPL for the next fiscal year. This budget will also reflect the anticipated revenues of BPL.

The budget will be viewed by the Board as its financial plan for BPL, and approval of the budget by the Board will be authority for the Director to manage BPL's finances according to the plan and within the parameters of the Financial Policy and the Purchasing Guidelines. The Director will keep the Board well informed of the ongoing status of the financial plan, and will not make expenditures outside of the budget plan without seeking Board approval to amend the budget, except in the case of an emergency as indicated below. Amendments to the budget will be presented to the Board for approval if there are significant unanticipated changes in revenues or costs.

Taxes levied for BPL use taken together with fines, state aid monies and other public money paid to BPL will be deposited to the treasury of the City to the credit of the BPL Fund. The City will keep the BPL Fund separate and apart from other monies of the City and the Treasurer will disburse only upon properly authenticated vouchers or other BPL authorization by the Board in compliance with the Charter and all applicable state laws. All payments for expenses will be issued by the City of Birmingham's Finance Department in accordance with its rules and procedures.

FINANCIAL MANAGEMENT

The accounting practices and procedures used by BPL will allow for proper management of BPL's revenues and expenses, and will provide adequate systems of monitoring by the Board and its outside auditors. An annual audit of BPL's finances will be conducted by the independent auditor appointed by the City of Birmingham.

Reports reflecting the financial condition of BPL will be presented to the Board monthly. These reports will include:

- monthly revenue and expense statement for the month and year-to-date with comparison to the budget.
- monthly Register of Claims

BPL credit cards will be used only for appropriate BPL business, and all uses will be documented. The BPL credit card will not be used for non-BPL related expenditures. Staff purchases will be made following the Credit Card Policy (view online at <https://baldwinlib.org/about/policies>) in accordance with the Purchasing Guidelines.

Consistent with the City of Birmingham policy, the Director may approve any annual Contract having a cost that does not exceed \$75,000 over the Contract life or for more than one year. The Board must approve all other Contracts having a cost in excess of \$75,000. All contracts totaling \$2,500 or more will be reviewed by the Library Attorney to assure that the contract is legally sound and that BPL's interests are protected. Contracts will be awarded on the basis of the purchasing considerations in the Purchasing Guidelines. No contracts may be awarded which are not in compliance with BPL's Code of Ethics and Conflict of Interest policy (view online at <https://baldwinlib.org/about/policies>). At a minimum, all contracts must contain the purpose, effective dates, authorized signatures, amount to be paid, how liability risks are covered or met, and services to be provided.

The Director may not risk financial losses to BPL beyond those that may occur in the normal course of business. The Director will take steps to:

- prevent embezzlement,
- protect against casualty losses to full replacement value,
- protect against liability losses (to Board members, BPL or to BPL funds),
- provide that all personnel with access to more than \$1,500 cash of the Library's money are appropriately bonded,
- provide that facilities and equipment are properly maintained,
- limit exposure of BPL, the Board, and the staff to claims of liability,
- ensure funds are disbursed only in compliance with Board authorization and applicable state laws,
- provide there is periodic backup of all computer and other financial records necessary for uninterrupted operation of BPL.

Unbudgeted emergency repairs to the physical plant or equipment that must be completed immediately, and cannot be practically submitted to the Board for approval, may be authorized by the Director or in the absence of the Director, an Associate Director. The Director will advise the Board of the emergency expenditures as soon as possible.

The Board is the ultimate spending authority for BPL. To more efficiently conduct BPL business, the Director will serve as Purchasing Agent with the authority to authorize appropriate staff using the Purchasing Guidelines to make purchasing decisions, following internal controls. In the absence of the Director, the authorized Associate Director within the scope of their authority will make financial transactions that are within the scope of the Director's authority.

Approval of travel, dining, accommodation or similar expenses will always be at the next highest level of authority for every employee. Director expenses will be approved by the Board President or in the absence of the President by the Vice President. Board member expenses will be approved by the full Board.

No employee will knowingly approve a transaction which is in violation with BPL's Code of Ethics and Conflict of Interest policy. If there is any doubt about the propriety of the expense, the employee should not approve the expenditure, but rather refer the expense to a higher authority within BPL.

Because the purpose of BPL as a Public Library is to use the taxpayer provided funds for BPL purposes only, such funds may not be distributed to any other charitable purpose. All purchases made under a cooperative program with another governmental entity, including, but not limited to, the City, another public library, a library cooperative, Oakland County or the State of Michigan, in which prices have been previously determined by competitive bidding, are exempt from the requirements for competitive quotes or competitive bidding.