

Financial Controls Policy

Peru Free Library

Budget and Finance

The Peru Free Library has a board-approved written budget. This budget is developed annually as a cooperative process between the budget committee, the library director, and the Board of Trustees. Each year, it is determined if the library's revenues are adequate to meet the needs of the community. If the revenues are not adequate to meet the needs of the community, the board of trustees takes action to increase the library's revenue or reduce expenses.

On a monthly basis, the library director presents a written report on library operations to the board of trustees. These reports include such areas as library usage, matters of personnel, collection development, and programming in addition to any other relevant and pertinent information.

The library maintains adequate records of library operations with the help of an accountant, in a manner easily understood by the public as well as the board of trustees and library director. This record of library operations is presented at each board of trustees monthly meeting and clearly indicates the financial position of the library. In addition to the general financial position of the library, this record clearly indicates the current position of each budgetary line item including budgeted amount, year to date expenditures, and remaining budget, as presented by the Treasurer.

Routine Banking Procedures

The library director and treasurer will meet twice a month to go over expenses, receipts and deposits. The treasurer will sign off on all expenses. The exception is when the library director makes a purchase using the board approved debit card for a budgeted item.

The Board Treasurer of the Peru Free Library is authorized to make deposits into appropriate library accounts. Such deposits include, but are not limited to, the deposit of accumulated fees, gifts, donations, grants, and other income. The Treasurer is authorized to transfer funds from one library account to another library account for payment of monthly library bills. The library director of the Peru Free Library is not authorized to sign checks or receive cash from library accounts. The officers of the board of trustees are authorized to sign checks.

Authority to Spend

The library director of the Peru Free Library is authorized to spend funds within the budget approved by the Board of Trustees. Any non-budgeted expenditure made at or above the amount of \$1,000 needs to get a minimum of two bids for Board approval. If only one bid is received, after 30 days of good faith effort in trying to get additional bids, the Board may vote to accept the original single bid or try to get more bids. If any non-budgeted expenditure needs to be made that is under the amount of \$1,000, said expenditure may be made as the Board deems appropriate. In the event of an emergency expenditure, the Library Director will exercise good judgment to address and resolve the situation promptly and will notify the Board of Directors as soon as possible.

Adopted by the Library Board of Trustees: November 12, 2025