Shorewood-Troy Public Library

Finance Policy

Approved, 1/13/11; Updated 4/10/14; Updated 01/08/2026

Budget and Reporting

The Shorewood-Troy Public Library District has a Board-approved written budget. This budget is developed annually in consultation with the Library Director. Each year, the Board of Trustees determines whether the library's revenues are adequate to meet the needs of the community. If revenues are inadequate to meet the community's needs, the Board of Trustees takes action to increase the library's revenue or to determine whether budget cuts are necessary.

On a monthly basis, the Library Director presents written reports on the library's operations to the Board of Trustees. These reports cover the library's finances, usage, personnel matters, collection development, and programming. If other information is deemed relevant and necessary, it will be presented as well. The reports are created jointly by the Library's Director and the Library's contracted bookkeeper.

The Library maintains records of library operations, electronically and in paper form. It is presented to the Board of Trustees monthly and is archived. It is available to the public for viewing. In addition to the general financial position of the library, the record indicates the current position of each budgetary line item, including the budgeted amount, the receipts, and monthly and year-to-date expenditures.

The Library undergoes an annual audit conducted by an accounting firm experienced in working with units of local government. The board reserves the right to request proposals from qualified firms every 3-5 years or when the current firm's performance is unsatisfactory.

Routine Banking Procedures

The Library Director of the Shorewood-Troy Library (or his/her designee) is authorized to make deposits in the appropriate accounts. Such deposits include the deposit of accumulated fees and fines, gifts, donations, impact fees, grants, and tax receipts. Deposits are done on a weekly basis. The source of all receipts is tracked internally to allow for proper planning.

The Library Director of the Shorewood-Troy Public Library District is authorized to transfer funds from one library account to another library account for the payment of monthly bills and payroll. These monthly bills are approved for payment by the Board of Trustees.

The Library Director is not authorized to sign checks or receive cash from library accounts except when the Board of Trustees authorizes such action.

Checks require two signatures. Designated signers on library accounts are the President of the Board, the Treasurer of the Board, and the Director.

A petty cash account of $300 is authorized by the board; the petty cash is to be used to reimburse for small purchases. The fund will be replenished from the general checking account upon presentation of receipts by the Director and with approval from the Board.

Purchasing

Purchases of the District are governed by the State of Illinois statutes. It is the policy of the Shorewood-Troy Public Library District Board of Trustees to use the most responsible business practice in its purchases. It is the policy that all purchases, contracts, and expenditure will be awarded to the lowest responsible bidder, considering conformity with specifications, terms of delivery, quality, and serviceability. Bidding is not required in the following cases:

- Purchases as identified by this policy of less than $25,000.
- Where the goods or services to be procured are only economically procurable from one source.
- Where the services required are for professional skills
- In emergencies involving public health, public safety, or where immediate expenditure is necessary
- Contracts for the maintenance or servicing of equipment which are made with the manufacturers or authorized service agents of that equipment.
- Where the goods or services are procured from another government agency.
- Purchases and contracts for the use, purchase, or installation of data processing equipment or software.
- Contracts for utility services

The staff will seek bids (or quotations if bids are not specifically required) from the widest possible array of contractors, suppliers ,and vendors.

No commitment for expenditures of District monies, except from the petty cash fund, shall be made without authorization issued according to the following conditions:

A. $25,000 or More
   All expenditures of $25,000 or more shall be made only with prior Board approval in the manner prescribed by State law. Advertisements for sealed bids or requests for proposals will be properly handled through the media. Sealed bids will be received at a bid opening and included all costs for labor and materials, Bid Bond, Performance Bond, and Certificate of

Insurance. Bids will then be tabulated and submitted to the Board along with the staff's recommendations for action. Formal contracts with appropriate signatures for both the Board and the Contractor are required.

B. Less than $25,000 – More than $5,000.
All expenditures of less than $25,000, but more than $5,000, shall be made only with prior board approval. Staff shall obtain at least three (3) formal written quotations whenever practical. The Director will also submit a recommendation for the Board Action.

C. Less than $5,000
Expenditures of less than $5,000, for approved budget line items, can be made at the discretion of the Library Director. Book and materials purchases may exceed the $5,000 monthly limit. The Director shall be responsible for monitoring and adhering to the pertinent budget and obtaining proper quotations.

Receipts and Disbursements

A. All monies received on a daily basis shall be deposited weekly and stored in the safe while awaiting deposit.
B. All employee reimbursements in excess of $20.00 will be made by a means of check drawn from the regular checking account, upon approval by the Board.
C. Checks, drawn on the library accounts, require two signatures.
D. The Board of Trustees authorizes a Petty Cash fund in the amount of $300.
E. The Library Director shall maintain a corporate credit card account for library expenses.

Monetary Gifts to the Library

The Library welcomes cash contributions, gifts of real property, stocks and bonds. It is our custom to expend cash gifts on materials, equipment, or a project, which is acceptable to the donor. Although it is unlikely, there may be a time where the library's board and director find that the restrictions placed on a contribution make it impossible to accept. All donations are subject to approval by the Director and the Board of Trustees.

Disposal of Surplus Library Property

Library property (such as print and non-print materials, supplies, equipment and furniture) which in the best judgment of the Library Director, is no longer necessary or useful for library purposes, may be disposed of in the following manner:

A. Books and non-print materials from the Library's collection (that have been appropriately de-accessioned), or gift materials, may be discarded, sold, or given to local non-profit organizations.
B. Any other property having an individual current value of less than $100 may be discarded, traded in for new equipment, or sold. This is done with the discretion of the Library Director.
C. In the case of individual surplus items having a current value of more than $100 but less than $1,000, the board may authorize the sale of such items with the provisions of the Illinois Public Library Act.
D. Staff, their immediate families, or members of the board of trustees will not be allowed to bid when bidding or purchasing library items declared as surplus when the value of the item is more than $100.
E. Any property having a unit value of more than $1,000 but less than $2500 will be displayed at the Library, and a public notice of its availability, the date, and the terms of the proposed sale shall be posted.

Investment of Funds

All library investment policies shall uses a "prudent person" standard of care. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence and intelligence exercise in the management of their own affairs. Investment officer, acting in accordance with this Policy, and the written procedures of the Library and exercising due diligence, shall be relieved of personal responsibility, providing that deviations from expectation are reported in a timely fashion and that appropriate action is taken to control risk.

Guidelines

A. The following guidelines should be used to meet the general investment objectives:
    a. Legality and Safety:
        i. Investments will only be made in securities guaranteed by the U. S. Government or in FDIC insured institutions.
        ii. Authorized investments will consist primarily of Certificates of Deposit.

B. Liquidity
In general, investments should be managed to meet liquidity needs for the current month, plus one month, and any reasonably anticipated special needs.

C. Yield
Within the considerations of safety and this policy, every effort should be made to maximize return on investments made. All available funds will be placed in investments or interest bearing deposit accounts.

Reporting

Investments, fund balances, and the status of such accounts will be reported as part of the monthly treasurer's report made monthly to the board.