

Racine Public Library Fiscal Policy

I. Fiscal Authority

Section 43.58 of the *Wisconsin Statutes* grants the Racine Public Library Board of Trustees exclusive control of the expenditure of all monies collected, donated, or appropriated for the Library. The Board of Trustees approves the Library's annual budget and delegates the responsibility for the management of the Library's money to the Executive Director according to this policy.

II. Accounting Practices

In order to comply with Federal and State laws, especially in the area of auditing, the City of Racine keeps the official accounting records of the Library. The Library utilizes the same accounting software as the city for the purpose of generating reports and information for decision making by the Administration and Board of Trustees. The Library's fiscal year is the calendar year.

III. Physical Possession of Funds

All Library monies are considered part of the Library's Special Revenue Fund (held with the City of Racine) or the Library's Trust Funds. Trust Funds include expenses and revenues connected with gifts and memorials donated to the Library. The City keeps physical possession of money the Library receives from municipal and state sources for daily operations in this fund.

The Library has many trust funds on the books of the City of Racine. These funds were established due to large gifts (both endowed and unendowed) given to the Library. The corpus of these funds is invested with Johnson Financial Group which has an investment management or trust division. The quarterly interest and dividend distributions are deposited with the City of Racine in the appropriate agency fund or are reinvested with the corpus of the fund at the financial institution.

Transfers are also made, when approved by the Library Board, between the investment accounts at the banks and the trust funds held by the City.

IV. Expenditures

In accordance with state law, the City of Racine acts as the fiscal agent for the Racine Public Library.

Purchases are made in one of two ways. Most purchases are made and paid for via a procurement card issued to a small number of Library employees. Approval for these purchases is granted by either the Executive Director or the Business Manager. In some infrequent circumstances, this approval is made after the purchase has been made. The usage of procurement cards is the method of payment for purchases that is preferred by the city.

In some cases, vendors still issue an invoice and prefer to be paid by check. The invoice is then entered into the accounting system, approved by the Business Manager, and electronically transmitted to the City's Finance Department for the issuance of a check.

Monthly, the Executive Director prepares and presents to the Library Board of Trustees a list of invoices, paid either by check or procurement card, for approval. The Executive Director is authorized to make payment for budgeted expenses in advance of such approval in order to take advantage of discounts or to meet due dates. Such payments are ratified by the Board of Trustees at their monthly meeting.

The Executive Director reports monthly to the Board of Trustees on the year-to-date status of revenues and expenditures in the Library's Special Revenue Fund. The Executive Director also presents a quarterly financial report to the board on the activity and balance in each of the named donor funds of the Library.

Approved by: RPL Board of Trustees

Approved Date: June 16th, 2022 (*November 20th, 2008, amended: December 15th, 2016*)

Review Schedule: Annual

Next Review Date: June 2023