

DANIEL BOONE REGIONAL LIBRARY

SUBJECT: Warrants and Disbursement of Funds

ADMIN 2-707

BOARD

SECTION: 700 – Fiscal Management

Approved: 01/15/98
Revised: 05/10/07
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POLICY

The Daniel Boone Regional Library (DBRL) will establish procedures to provide substantial internal controls when disbursing funds. DBRL shall also be in compliance with applicable Generally Accepted Accounting Principles, grant requirements, and state accounting statutes when accounting for expenditures. It is the policy of DBRL to retain sufficient resources to meet its daily cash flow demands, pay its obligations in a timely manner, and maintain a high-quality credit rating.

Internal controls include, but are not limited to, the approval of expenses only by authorized personnel, adequate separation of duties within the payment process, provision of sufficient supporting documentation as to the nature of the disbursement and its approval, limited access to checks, and limiting use of the library's credit card(s).

All checks drawn on DBRL accounts must be signed by the Executive Director, either manually or by use of the check signing machine. The keys to the check signing machine shall be secured by the Executive Director or Chief Financial Officer (CFO) and shall be used only when authorized by the Executive Director, CFO, Executive Director's designee or CFO's designee. All checks for all accounts shall be located in the Administrative office. All checks and supporting documentation must be reviewed by the Executive Director, CFO, Executive Director's designee or CFO's designee prior to the release of the check. All checks drawn on the CLD Special Revenue Fund (Building Fund) shall follow the guidelines of policy 2-700 (Building Fund). All disbursements or checks from any individual library district board's Debt Service Fund shall be authorized by the Executive Director or Executive Director's designee.

PROCEDURES

1. Non-Payroll Disbursements to DBRL Board of Trustees (Board), Executive Director and Staff Members
 - A. DBRL Trustees shall provide sufficient documentation for all requested disbursements and shall submit the request to the Executive Director. The Executive Director shall obtain prior approval from the Board President or another officer before issuing the payment. The Board Warrant Officer or Vice President shall approve disbursements to the President. Email notifications shall be considered prior approval.

- B. The Executive Director shall provide sufficient documentation for all requested disbursements and shall submit the request to the Board President, or other officer if the President is not available. The Executive Director shall obtain prior approval from an officer before submitting the disbursement for payment. Email notification shall be considered prior approval.
 - C. Staff members shall provide sufficient documentation for all requested disbursements and shall submit the request to their appropriate supervisor. Upon approval, the disbursement request shall be forwarded to the Chief Financial Officer (CFO) for payment. However, if the request is for travel reimbursement, the supervisor shall forward the request to the Human Resources Manager. Upon approval, the travel request shall be submitted to the CFO for payment.
2. Expenditures and Disbursements for Procured Items or Services
- A. All expenditures and disbursements shall be authorized by the appropriate staff as per the DBRL Spending Authority (attachment to policy 2-701 [Budget]). Approved invoices shall be forwarded for payment to and reviewed by the Executive Director, CFO, Executive Director's designee or the CFO's designee.
 - B. All invoices approved for payment must comply with policy 2-706 (Approval of Contracts, Invoices and Purchasing).
 - C. Approved invoices shall be entered into, and subsequent checks recorded in, DBRL's automated accounting system by the Finance and Administrative Associate, or such person as designated by the Executive Director or CFO.
 - D. All checks and appropriate documentation shall be reviewed by the Executive Director, CFO, the Executive Director's designee or the CFO's designee and the documentation shall be marked as paid and reviewed.
3. Payroll and Payroll-Related Disbursements
- A. See policy 2-709 (Payroll Processing) for information regarding payroll authorization and documentation.
 - B. Payroll direct deposits are prepared and distributed using the DBRL automated accounting system by the Financial, Payroll and Benefits Specialist, or such person as designated by the Executive Director or CFO.
 - C. The payroll register of direct deposits shall be reviewed by the Executive Director, CFO, the Executive Director's designee or the CFO's designee. Direct deposits may be processed prior to this review, but are subject to withdrawal if necessary. The review shall include an examination of all documentation for employees hired or terminated during the pay period to ensure that the employees are added or removed from the payroll in a timely manner.

- D. Federal payroll tax liabilities shall be reported and paid as required under federal law. Other tax liabilities and voluntary employee deductions requiring disbursements shall be documented using a Payment Authorization and disbursed as outlined in section 2, above or electronically reported and paid.

4. Petty Cash

- A. Each library location may maintain a Petty Cash fund or change fund of no more than an amount to be determined by the Executive Director or CFO. The petty cash amount shall be reported on the balance sheet provided to the Board each month.
- B. Withdrawals from Petty Cash by staff members shall be made using petty cash requests and shall be contingent upon the expense approval from either the librarian-in-charge at the applicable library location, the Executive Director or the CFO.
- C. Withdrawals shall not exceed \$75 per request unless authorized by the Executive Director or CFO.
- D. Replenishment disbursements for the Petty Cash fund shall be paid to the CPL Circulation Manager or librarian-in-charge at the applicable library location and are subject to the documentation requirements outlined in section 2, above.

5. Warrants

- A. Warrants for monthly expenditures shall be prepared by the Financial, Payroll and Benefits Specialist and reviewed by the CFO.
- B. Two members of the relevant Board must sign each disbursement, preferably the President and Warrant Officer.
- C. For the Special Revenue Fund (Building Fund), warrants shall be reviewed and approved by the CLD Board according to policy 2-700 (Building Fund).
- D. Debt Service Fund warrants shall be authorized only after the warrants are reviewed and approved by a vote of the CLD Board.
- E. The signed warrants shall be forwarded to the appropriate county or city official for payment to DBRL.