



Serving Appling, Bacon, Clinch, and Ware Counties

## Financial Policies

Accounting and Financial Reporting | Budget | Capital Assets | Cash and Investment | Check Charges | Fund Balance | Purchasing | Revenue

*Approved by Regional Library Board of Trustees on November 1, 2010, revised August 4, 2014, February 1, 2016, May 7, 2018, February 3, 2020, Revised February 5, 2024*

The financial policies and resources of the Okefenokee Regional Library System (hereafter referred to as OKRLS) are the responsibility of first, the Regional Library Board, and second, the individual county Library Boards. The Regional Library Director (hereafter referred to as Director) is charged with implementing the financial policies as established by the Regional Library Board, monitoring and evaluating OKRLS's finances, and providing information to the Regional Library Board and the county Library Boards relating to the financial situation for their individual libraries and regional office.

### Accounting and Financial Reporting

- The Okefenokee Regional Library System will use the uniform chart of accounts administered by Georgia Public Library Service (GPLS) for recording all transactions.
- OKRLS will provide all required financial reports to Georgia Public Library Service.
- Annually, OKRLS shall engage a Certified Public Accountant to perform an audit or agreed upon procedures (AUP) of the financial records.
  1. These procedures will be based on requirements set by Georgia Public Library Service (GPLS).
  2. Every attempt should be made to have the audit or agreed upon procedures completed no later than December 31 following the close of the fiscal year. The results will be made available to all branch and regional board members as well as funding agencies.
- OKRLS will establish and maintain an accounting system that allows for the proper accounting of all resources.
- OKRLS will maintain accurate records of all capital assets to ensure a high degree of stewardship of public property.
- OKRLS will develop an ongoing system of financial reporting to meet the needs of each branch's Library Board, the Regional Library Board, managers, department heads, and contributing local governments. The reporting systems will promote budgetary control and comparative analysis.

### Budget

The Okefenokee Regional Library System operates on a fiscal year, July 1 through June 30. An annual budget will be adopted for the same time frame.

- An annual budget will be prepared each fiscal year for each county's library branch and for the regional office; a regional budget will be prepared combining all branches and the regional office.

- When funding is set by state and local funding agencies in time to present a budget at the year’s last regularly scheduled county Library Board and the Regional Library Board meetings, approval shall take place prior to the start of the fiscal year.
  - If funding has not yet been committed by the state and/or local funding agencies before the year’s last regularly scheduled county Library Board and the Regional Library Board meetings, the Director shall present a budget proposal based on estimated funding. The budget proposal shall be amended as necessary and presented at the year’s first quarterly county Library Board and the Regional Board meeting for approval.
- Revenues will be budgeted according to local government funding sources, state grant funds, and library generated charges (fines and fees). Donations will not be budgeted but will follow purchasing thresholds.
- Expenditures will be budgeted according to three (3) broad categories:
  1. Public Resources: to include all costs associated with providing services to Library customers (Function 10);
  2. Staff Resources: to include all costs associated with acquiring, cataloging, and processing of Library materials and all costs associated with management and support of Library services (Functions 23, 25);
  3. Building & Technology Resources: to include all costs associated with maintaining facilities and grounds in good working condition and in keeping them safe and comfortable for use and all costs associated with providing access to electronic materials and services (Functions 26, 27).

The budget will be prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting –

- Revenues are recognized when they are measurable and available:
  - Measurable means an amount can be determined accurately;
  - Available means the amount has been received or will be received soon enough to pay liabilities of the current period; availability is defined within thirty days of year end.
- Expenditures are recognized when measurable, incurred, and payable from current assets:
  - Incurred means that the goods or services have been received;
  - Payable from current assets means resources are currently available to pay the obligation.
- In order to control expenditure of funds, a quarterly statement of budget to actual revenues and expenditures will be prepared and presented to each branch’s Library Board and to the Regional Library Board.
- The Director shall have authority to move the budget between the three (3) categories of Public Resources, Staff Resources, and Building and Technology Resources.
- Each branch library and the regional office will operate each fiscal year with a balanced budget.
- Current expenditures shall be financed with current revenues, which may include that portion of fund balance available for expenditure.
- One-time revenues will not be used to fund ongoing operating expenditures. Instead, these resources will be used to make one-time purchases.

## **Capital Assets**

The Okefenokee Regional Library System has a significant investment in capital assets, including books and technology.

- A list of capital assets will be maintained for purposes of ensuring the safekeeping of those assets and planning for replacement of those assets. The capital assets threshold is \$5,000 for a single capital asset.
- An inventory of all capital assets will be conducted bi-annually, with the exception of the materials collection, which will be inventoried by sections (fiction, non-fiction, etc.) on a continuous five (5) year cycle. Technology capital assets will be inventoried for purposes of safeguarding and replacement planning.
- The useful lives of capital assets will be as follows:
  1. Buildings – thirty (30) years
    - Repairs necessary to maintain building in good condition will be communicated to responsible local governments
  2. Materials Collection – five (5) years with 20% annual depreciation
    - The collection is defined as “the aggregate of all books, CDs, DVDs, and other materials with a useful life of more than one year” and will be capitalized as a unit for financial reporting purposes.
  3. Office and Library Furniture – ten (10) years
  4. Technology Assets – three (3) years
  5. Vehicles – seven (7) years
- Discrete components of capital assets with significantly shorter lives will be treated as a separate capital asset if value is greater than \$5,000.00 or treated as a repair or disposal if value is less than \$5,000.00.
- Throughout the fiscal year, assets may be deemed irrelevant, damaged, or unusable by Library standards. To ensure maximum benefit is received, items may be put up for sale via auction, book sales, or similar methods before disposed of by recycle or other means as determined by the Director or designated personnel.
- Straight line depreciation will be used with zero (0) salvage value.
- Donated assets are assigned values for accounting and asset management purposes. Donated or contributed assets should be recorded at their fair market value on the date donated or acquired.

### **Cash and Investment**

- The Okefenokee Regional Library System will maintain a program of investing all government funds under the direction of the Library Director as approved by the OKRLS Board of Trustees.
- OKRLS will follow all Georgia laws and federal/state regulations for investing public funds and safekeeping and security requirements.
- The Regional Library Board will designate signatories on the accounts.
- OKRLS should use a competitive selection process for investments in excess of thirty (30) days. Investments should only be placed with financial institutions covered by the Federal Deposit Insurance Corporation (FDIC).
- All deposit accounts shall be fully collateralized as required by Georgia Law.
- The investment program shall be operated based on the following principles in the order listed.
  1. Legality – all investments comply with state and local laws
  2. Safety – principal is protected from loss with secure investment practices and collateralization
  3. Liquidity – investments are readily convertible to cash when needed without losses
  4. Yield of Return on Investment – earnings are maximized without diminishing the other principles

## Check Charges

- The Okefenokee Regional Library System will charge a \$15.00 fee for each returned check.
- When applicable, all charges relating to a patron's returned check will be added to the patron's PINES account; the patron will be barred until the issue is cleared with the Director.
- No checks under \$1.00 will be accepted.
- All checks must include name, current address, current phone number, government-issued ID number, and, if applicable, PINES Library card number.
- No starter checks will be accepted.

## Fund Balance

Fund balance is the difference between a fund's assets and liabilities and is a measure of "available spendable financial resources." Fund balance is increased or decreased from year to year through the excess/deficit of revenues less expenditures. The fund balance is presented on each branch's and the regional office's balance sheet.

- Fund balance will be reported by OKRLS under the following categories using the definitions provided by the Governmental Accounting Standards Board (GASB):
  1. Nonspendable – amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
  2. Restricted – amounts that can be spent only for the specific purposes stipulated by the constitution and by-laws, external creditors, grantors, or contributors, or through enabling legislation.
  3. Committed – amounts that can be used only for the specific purposes determined by a formal action of the Regional Library Board of Trustees. A majority vote is required to approve a commitment or to remove a commitment.
  4. Assigned – amounts intended to be used by the appropriate library or the regional office for specific purposes, but do not meet the criteria to be classified as nonspendable, restricted, or committed.
  5. Unassigned – is the residual classification of the general fund and includes all amounts not contained in other classifications.
- At a minimum, the Unassigned fund balance will be maintained at an amount equal to two (2) months' operating expenditures. Should a branch library not be able to maintain the minimum fund balance, every effort will be made to bring the branch into compliance with this policy.
- Unassigned amounts are available and may be utilized for any purchases/expenditures beyond those which have been budgeted for with Board approval and which will not cause the fund to drop below the minimum amount required to be maintained. Any changes that require increasing total expenditures by utilizing the unassigned fund balance funds must be approved by the appropriate Library Board.

The monthly cost of operating each library branch and the regional office will be determined by dividing the corresponding annual budget by twelve (12).

## Purchasing

The Director is the authorized purchasing agent for the Okefenokee Regional Library System. Purchasing responsibility may be delegated to positions within the regional office. All positions with authorized purchasing authority must adhere to the purchasing policy and maintain appropriate documentation.

- All purchases must be consistent with and support the current approved applicable budget prior to committing funds.
- The Director, Assistant Director, OKRLS Board Chair, and OKRLS Board Treasurer will be authorized signatories for financial accounts. An assigned regional staff member or additional OKRLS Board Trustee Officers may serve in a signatory capacity if necessary.
- Purchases/expenditures may be approved by the Director or Director’s Designee as long as the following thresholds are used:

<b>Purchasing Thresholds</b>	<b>Documentation</b> <b>***Receipts Required for ALL Purchases***</b>	<b>Approval Level</b>
\$0.00 - \$1,000.00	Credit card, check disbursement, or EFT; purchase order/supply request required; quotes not required	Director OR Director’s Designee
\$1,000.01 - \$3,000.00	Credit card, check disbursement, or EFT; purchase order/supply request required; two (2) quotes required	Director OR Director’s Designee
\$3,000.01 - \$10,000	Credit card, check disbursement, or EFT; purchase order/supply request required; three (3) quotes required	Director OR Director’s Designee
>\$10,000.00	Requires Board approval; three (3) quotes required	Board of Trustees

*\*\*\*Exceptions: any goods or services available for purchase under county, state, or federal contract\*\*\**

*\*\*\*Circumventing a threshold by splitting an order into two or more orders is prohibited.\*\*\**

- Two signatures are required when preparing checks for disbursement and both a staff member and a Board representative will sign each check as much as is possible.
- The Director or their designee may make purchases using an OKRLS credit card following the Board-approved thresholds.
- Contracts may be signed by the Director; however, Board approval is required for all contracts.
- Contracts will be awarded in one (1) year increments, with options for renewal for two (2) additional one (1) year increments as appropriate.
- Any contract must include an option to terminate the contract without penalty if funds are not available due to the actions of a funding agent.
- In order to enable the timely and efficient closing of the fiscal year, purchasing activities are suspended no later than thirty (30) days before the fiscal year’s end. Purchases made within thirty (30) days of the fiscal year’s end must be approved by the Director.
- Whenever practical and financially feasible, preference will be given to vendors within the OKRLS service area (Appling, Bacon, Clinch, and Ware counties).

- As much as is practical, vendors within the OKRLS service area will be given the opportunity to match competitive pricing of any purchases being considered by OKRLS.
- The following supplies and services are exempt from this policy:
  1. Library materials in all formats, including books, periodicals, media, and electronic resources;
  2. Purchases between governments and/or nonprofit organizations;
  3. Dues, memberships, and subscriptions;
  4. Employee Benefits;
  5. Utilities including but not limited to electricity, water, sanitation, and communications;
  6. Training, travel, lodging, or meal expenses (see Personnel Policy);
  7. Legal or employment advertisements; and
  8. Any item on county, state, or federal contract.

## Revenue

- The Library will assume a conservative approach in estimating revenues.
- The Director will recommend levels of all fees (with the exception of those fines and fees set by the PINES Executive Board) to the Regional Library Board as part of presenting a budget or budget proposal and will base the recommendation on an analysis of the cost of providing the services.
  - As a PINES member library, the libraries of the Okefenokee Regional Library System follow the fine schedule set by the PINES Executive Board.
- Library fines and fees collections for the current fiscal year will be reviewed when estimating the next year's budget.
- Any fee or charge for service must be approved by either the Regional Library Board or the PINES Executive Committee as appropriate.
- Budget for local government revenue will be based on the currently approved support unless notification has been received of approved support for the next fiscal year.
- Grant revenue will be budgeted at the current level unless information is received amending current amounts.