



## **Financial Purchasing/Procurement Policy**

**Need for this policy:** The Library shall act to procure products and services at the lowest possible cost, consistent with its needs and with regard to durability, performance, quantity, delivery, and service, and in compliance with General Municipal Law 103 and 104-b for applicable purchases.

### **General:**

- Although most purchases will not require bids or quotes, all purchases, bids, and contracts must abide by NY State General Municipal Law 103 and 104-b. The texts of these laws are available from New York State website, [public.leginfo.state.ny.us](http://public.leginfo.state.ny.us). New York State Office of the State Controller, Division of Local Government and School Accountability, has also produced a local government management guide called [Seeking Competition in Procurement](#), available from [www.osc.state.ny.us/localgov/pubs](http://www.osc.state.ny.us/localgov/pubs). Purchases of library materials generally are not subject to competitive bidding regulations.
- The Director shall oversee and approve all expenditures according to the approved budget. Purchases of a single item in excess of \$1,000 must be approved by the Finance Committee or the full Board unless an emergency situation exists.
- Purchases must be within the approved budget limits as set by the Board in the annual operating budget, within a received grant, or within the limits of a special expenditure approved by the Board. Special expenditures shall be authorized by formal resolution with any required transfer of funds for these purchases through an appropriate transfer of funds from the Board-reserved funds to the operating budget or through a bank loan or through a bond issue.
- The library is exempt from paying sales tax. All purchases should be made as "tax-exempt."

### **Purchase Orders:**

- A purchase order is required for all purchases except the following:
  - Contracts or written agreements approved by the Board including contractual agreements with a monthly charge such as lawn care or trash removal
  - Board-approved Electronic Fund Transfers (EFT) (also known as ACH - Automated Clearing House)
  - Petty cash
  - Utilities expenses
  - Regular maintenance of the facility such as fire alarm inspection
  - Repairs and maintenance requiring immediate action such as a plumbing issue. In this case, the bookkeeper shall be made aware that there is no purchase order for claims audit processing.
- Purchase orders are to be kept in a file for access during the claims audit process. Any exceptions, such as items cancelled or returned, are to be noted on the purchase order as well.

### **Authorization:**

- Any staff member may create a Purchase Order.
- Purchase orders must be approved by the Director or Assistant Director in the absence of the Director prior to purchasing or ordering. If the Director created the Purchase Order, a Senior Staff Member or Library Trustee must approve.

**Responsibilities:** It shall be the responsibility of the Director to ensure compliance with the requirements of this policy.

Adopted by the Board of Trustees: March 22, 2017



## **Financial - Petty Cash Policy**

A petty cash fund of \$150 shall be established for the purchase of materials, supplies or services under conditions requiring immediate payment in cash.

The Library Director shall be responsible for the security of the funds and the control of disbursements. The Director may designate an employee to manage the day-to-day disbursement and reconciliation of petty cash funds.

To ensure that these funds are properly managed, the following guidelines shall be followed:

1. Receipts and cash-on-hand must always equal \$150.
2. Staff requesting petty cash should have approval from the Director or Assistant Director
3. All disbursements from such funds are to be supported by receipts or other evidence documenting the expense.
4. Payments may be made from petty cash for materials, supplies or services, requiring immediate cash payment, but shall not to be used for frequently purchased items. Any exceptions must be authorized by the Director.
5. The Library is exempt from paying sales tax. Employees are expected to provide a vendor with a tax-exempt certificate; they will not be reimbursed for sales tax payments.
6. Petty Cash reconciliation shall be done regularly and include a summary by expense account of all disbursements.

Adopted by the Board of Trustees: March 22, 2017

Reviewed by the Board of Trustees: November 22, 2022