

# **FINANCE AND INVESTMENT POLICY**

## **BOARD OF FINANCE**

The duly appointed members of the North Judson Wayne Township Library Board are the fiscal body of the Library and thus constitute the Board of Finance. These members serve without compensation.

## **ANNUAL MEETING**

The North Judson Wayne-Township Public Library Board of Finance shall meet annually immediately following the January Library Board meeting to elect a President and Secretary, approve staff salary ordinance and insurance benefits for the coming year, approve the Director's salary and benefits for the coming year, appoint the Treasurer, designate depositories, designate newspapers for publication, resolve prior approval to pay bills, review the written report of the Library's investments during the previous calendar year, review the Library's investment policies, and any other financial matters that come before them.

## **FISCAL OFFICER**

The duly appointed Treasurer of the North Judson-Wayne Township Public Library is the fiscal officer of the Library. The Treasurer is an employee of the Library.

## **TREASURER'S BOND**

Both the duly appointed Treasurer and the Director of the North Judson-Wayne Township Public Library shall give surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the Treasurer's custody. Said bond will be:

1. Written by an insurance company licensed to do business in the State of Indiana;
2. Written for the term of office of the Treasurer, not to exceed one year;
3. Written in the amount of \$15,000, payable to the State of Indiana;
4. Paid for with money from the Library's operating fund;
5. Approved by the Library Board; and
6. Deposited in the office of the Recorder of Starke County.

## **DEPOSITS**

All funds received by the Library shall be deposited in one or more designated depositories not later than the business day following receipt of such funds, and shall be deposited in the same form in which they were received.

## **INVESTMENTS**

The Treasurer and Director are authorized to invest Library funds in the following:

1. Securities or discount notes back by the full faith and credit of the United States Treasury for fully guaranteed by the United States and issued by
  - a. The United States Treasury;
  - b. a federal agency;
  - c. a federal government sponsored enterprise
  
2. Repurchase agreements (including standing repurchase agreements, commonly known as sweep accounts):
  - a. With depositories designated by the State Board of Finance as depositories for state investments; and
  - b. Involving the political subdivision's purchase and guaranteed resale of any interest-bearing obligations issued; or fully insured or guaranteed; by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.
  
3. Deposit accounts, such as passbook savings accounts, money market deposit accounts, or any interest bearing account that is authorized to be set up and offered by a financial institution in the course of its respective business
  
4. Certificates of deposit, purchased in accordance with IC 5-13-9-4(b).

Investments made by the Library must have a stated final maturity of not more than 60 months (five years) after the date of purchase or entry into a repurchasing agreement, in accordance with IC 5-13-9-5.7.

## **PROHIBITED INVESTMENTS**

The fiscal officer may not purchase securities on margin or open a securities margin account for the investment of Library funds. (IC 5-13-9-9)

## **INTEREST EARNINGS**

All interest derived from an investment made by the Library shall be receipted into the operating fund so that the interest accessible for reinvestment.

## **DEPOSITORIES**

All public funds of the North Judson-Wayne Township Public Library shall be deposited in the designated depositories located in the territorial limits of the Library district.

## **ELECTRONIC TRANSFER OF LIBRARY FUNDS**

The following types of transactions *may* be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

1. All investment transfers for certificates of deposit and savings accounts authorized by the fiscal officer;
2. All lease-rental payments to the Library's lessor;
3. Payroll for Library employees
4. State and federal employee tax payments
5. Indiana State Library, for the purposes of transferring PLAC funds, technology monies, Evergreen Indiana collections, and other Library-based financial matters.

The fiscal officer shall maintain appropriate documentation of the transactions so these may be audited as required by statute. The fiscal officer's signature will be on a letter of authorization for transfers, which will be forwarded to the financial institution.  
(IC5-13-5-5)

## **LIBRARY FUNDS**

The North Judson-Wayne Township Public Library Board of Trustees may establish funds for money and for securities of the Library. All monies, from whatever source derived, will be receipted into funds established by the Library Board under authority of law. (IC 36-12-3-3)

The authorized funds are as follows:

### **Library Operating Fund (IC 36-12-3-11)**

All money collected from tax levies, interest on investments of Library Operating Fund monies, fees, fines, rentals, and other revenues shall be deposited into the "Library Operating Fund," and must be budgeted and expended in the manner required by law.

Both a Petty Cash Fund (IC 36-1-8-3) and a Cash Change Fund (IC 36-1-8-2) are set up inside the Library Operating Fund.

### **Lease Rental Payment Fund (IC 36-1-10-17)**

All money derived from the taxes levied for the purpose of retiring bonds or other evidence of indebtedness, together with any premium or accrued interest that may be received, shall be receipted into the Lease Rental Payment Fund.

### **Library Improvement Reserve Fund (LIRF) (IC 36-12-3-1 (4))**

Money or securities may be accumulated in the Library Improvement Reserve

Fund for the purpose of anticipating necessary future capital expenditures such as the purchase of land, the purchase and construction of buildings or structures, the construction of additions or improvements to existing structures, the purchase of equipment, and all repairs or replacements of buildings or equipment. The Fund is intended to meet future capital expenditures and repairs for which taxes cannot reasonably be levied in any one year.

#### Rainy Day Fund (IC 36-1-8-5.1)

The Library has a Rainy Day Fund that was established by resolution. The Library may transfer up to 10% of the Library's annual operating fund budget for any single fiscal year to this Fund. If the Library receives supplemental distributions of COIT under IC 6-3.5-6-17.3, such distributions will be receipted to the Rainy Day Fund. Transfers to this Fund may be made at any time during the year. (IC 36-1-8-5(f))

#### Gift Funds (IC 36-12-3-11(5))

Money or securities accepted and secured by the Library Board as a grant, gift, donation, endowment, bequest or trust may be set aside in a separate fund or funds, and shall be expended, without appropriation, in accordance with the conditions and purposes specified by the donor.

"Restricted" gifts are those to which the donor has attached terms, conditions and purposes. These may be quite specific or very general, such as "books."

"Unrestricted" gifts are those to which the donor has no attached terms, conditions or purposes.

Other funds may be established to meet specific criteria or need. Examples of other funds include:

#### Excess Levy (IC 6-1.1-18.5-17)

When the property tax collections for a particular calendar year exceed the Library's approved levy by more than 100%, the Library must establish a special fund to be known as the "Levy Excess Fund" for amounts over one hundred dollars (\$100).

Delinquent property taxes that are collected during a particular calendar year that were assessed for an assessment date that precedes the assessment date for the current year in which the taxes are collected are to be excluded from the amount which is used to compute the amount of the levy excess.

Each year the Department of Local Government Finance will certify to the Library the figure that represents 100% of the tax levy as well any applicable excess levy.

The part of the levy which exceeds 100% must be deposited in the fund and may not be spent until the disbursement of the money has been included in a budget approved by the Department of Local Government Finance. However, if the amount for any particular calendar year is less than \$100, no money shall be deposited in the Levy Excess Fund for that year.

The Department of Local Government Finance may require the Library to include the amount in its Levy Excess Fund in the Library's budget. After the budget has been approved, the amount in the Levy Excess Fund will be transferred from the Levy Excess Fund by warrant and receipted into the Library Operating Fund.

The money in the Levy Excess Fund will be invested in the same manner in which other funds may be invested. However, any income derived from such an investment will be deposited in the Operating Fund. [IC 5-13-9-6(a)]

#### State Technology Fund

When the Library receives state grant money requiring local matching money, the Library shall place both the State and local revenue in this Fund. The money in the fund will be used only for the purposes of the grant. If the Library completes the project for which the state grant money was provided and money remains in the fund: (1) the Library shall transfer the state's share of the remaining money to the Treasurer of State; and (2) the Library's pro rata share of the remaining money will revert to the Library's Operating Fund.

#### Grants Fund

Any grants awarded to the Library except those awarded by the State will be placed in this Fund. The grant rules established by the awarding body will be honored.