

NYS Regulations Pertaining to the 3R Councils (General)

§90.6 Financial accounting in cooperative library systems and reference and research library resources systems

The following accounting procedures shall be **employed by cooperative library systems and reference and research library resources systems**.

(a) The **fiscal year** of each library system shall begin with the first day of January and end with the 31st day of December or, **at the option of the library system, shall begin with the first day of July and end with the 30th day of June**.

(b) No trustee, officer or employee of the system shall be interested directly or indirectly in any claim against or contract with the system for lawful compensation and expenses. However, a trustee who is not the treasurer may be a stockholder, officer or director of a bank designated as depository for the system.

(c) The board of trustees of every library system shall:

(1) **appoint two separate accounting officers: a financial clerk and a treasurer** who shall hold office at the pleasure of the board. The **secretary of the library system board or the library system director may be appointed the financial clerk**. In the event that either of these officers becomes temporarily incapacitated, the board may appoint one of its members to serve temporarily in either of these positions;

(2) provide a **satisfactory minute book for recording the minutes of the meetings** of the board of trustees and the proceedings of the annual meeting of the participating libraries. In this minute book the **secretary shall record the action of the board on all bills approved for payment or shall refer to a schedule of such bills by date, schedule number and amount approved. This schedule shall be filed as a public record;**

(3) provide **the financial clerk** with a distribution ledger in which he shall **record itemized receipts and itemized payments**; which shall be classified in each case as is required for the annual financial report;

(4) provide the **treasurer with a cashbook in which he shall enter an itemized record of all receipts and payments;**

(5) adopt a **prenumbered receipt form** printed in triplicate, and **require the treasurer to acknowledge the receipt of any library funds paid over to his custody** by issuing his receipt as follows: a copy to the payer, a copy to the financial clerk and a copy to be retained by the treasurer;

(6) adopt a **prenumbered voucher-check** and require the use of this form **in paying all system obligations except** as otherwise provided in paragraph (18) of this subdivision. This form must **provide for the signature of the treasurer and may provide for as many additional signatures as the board may require;**

(7) adopt, at **least 30 days prior to the start of the ensuing fiscal year, an estimate of receipts and appropriations (annual budget)** on forms prescribed by the Commissioner of education, and **file such budget with the department within 60 days thereafter;**

(8) **amend the budget at any time during the fiscal year** and provide for appropriations from any additional revenues received;

(9) **keep the incurred obligations in each fiscal year within the amounts authorized by the budget and amendments thereto;**

(10) **settle all accounts** of the library system **on or before the last day of the fiscal year;**

(11) disburse library funds only on the basis of itemized vouchers which have been certified by the claimants or the purchasing agent and audited and approved by the board of trustees except as otherwise provided in paragraph (18) of this subdivision. However, **the board of trustees may by resolution determine that vouchers may be audited and approved by a committee comprised of at least three board members or by an individual designated by the board as auditor. Any individual so designated may not hold the office of financial clerk or treasurer and shall be bonded** with such penalty and sureties as the board may require;

(12) **provide by resolution** that amounts due upon contracts, **for fixed salaries** or for compensation of employees regularly engaged at agreed periodic rates, **may be paid without prior audit** upon **submission to the treasurer of a voucher or payroll duly certified by the library system director or his duly authorized representative;**

(13) **establish rules and regulations governing the reimbursement of trustees, officers and employees** of the system and its member libraries for actual and **necessary expenses incurred in the performance of official duties** assigned by the trustees of the library system **or in attending meetings** designated by the library system board of trustees. In lieu of actual and necessary travel expenses, the trustees **may establish a mileage rate** for the use of personally owned automobiles;

(14) require the **treasurer to render monthly reports**, showing the following information for the guidance of the board: **balance on hand at the beginning of the month; itemized list of receipts** during the month; **total withdrawals** made from the bank account during the month; **balance on hand at the end of the month** and **reconciliation** with the bank statement;

(15) require a **monthly report from the financial clerk** showing **amounts of receipts by source and expenditures by budget category for the months and year to date;**

(16) **cause an annual audit of the treasurer's records to be made either by a committee of the board or by an independent auditor;**

(17) provide **adequate filing equipment** for the preservation and systematic arrangement of all paid and unpaid bills, cancelled checks, bank statements, debit charge slips, contracts and other financial records;

(18) at its discretion, **establish a petty cash fund** for the purpose of making payment in advance of authorization of properly itemized bills for materials, supplies or services furnished to the library system calling for immediate payment on delivery.

(i) Whenever a **petty cash fund** is established, the board shall **designate the director or the financial clerk of the system** to administer and be responsible for such fund. **No such fund shall exceed \$50** at any one time.

(ii) The person in charge of such **petty cash fund shall keep such records** as may be necessary for the accurate accounting of all transactions and shall make reports to the board of trustees as required by such board.

(iii) From time to time **checks may be drawn to the person designated to administer the petty cash fund** in an amount which shall not exceed payments made in cash as indicated by receipts, receipted bills or other evidence of payment in form available to audit.

(iv) The **petty cash fund shall be completely closed out at the end of each year** and the general fund reimbursed by the original amount transferred to the petty cash fund.

(19) The **treasurer shall deposit all moneys within five days after receipt** in a depository designated by the trustees. The trustees may authorize the treasurer to **deposit or invest moneys** not required for immediate disbursement **in special time deposit accounts or certificates of deposit issued by a bank** or trust company located and authorized to do business in this State, provided that such account or certificate of deposit **shall be payable within the time the moneys shall be needed**, and provided further that such account or certificate of deposit **shall be secured by a pledge of obligations of the United States of America or obligations of the State of New York**. Investments may also be made in obligations of the United States of America or of the State of New York, registered or inscribed, when possible, in the name of the system, and **payable or redeemable at the option of the system** within such time as the proceeds shall be needed, **but in any event not later than the end of the fiscal year**. Such obligations shall be purchased through, delivered to and held in the custody of a bank or banker designated by the trustees for the deposit of system moneys.

(d) **The trustees of each library system shall file with the State Education Department, on forms provided by it, a financial report of the preceding fiscal year within 60 days of the close of such fiscal year.**

Statutory authority: Education Law, §§ 207-208, 215, 253-268, 271-273, 273-a, 282, 284, 283, 285; L. 1978, ch. 787, L 1993 Ch 260, §§ 1, 3