



## **Finance and Purchasing Policy**

### **Budget**

The Board of Trustees of the Morton Grove Public Library has exclusive authority to establish an annual operating budget according to state law and Board policies, as well as exclusive authority to approve expenditures of all Library funds set forth in said annual operating budget. The budget is developed annually as a cooperative process between the Executive Director, staff members with responsibility for budgetary elements, and the Board of Trustees. In general, all supplies, materials, equipment, and contractual and/or professional services will be included in the annual operating budget.

### **Funding Sources**

The Village of Morton Grove serves as the corporate authority of the Morton Grove Public Library. The Library's funds are obtained primarily through the Village of Morton Grove levy process.

### **Authority to Spend**

The Executive Director and/or their designee shall have the authority to make purchases consistent with the Board-approved budget without further Board approval. The Executive Director and staff are authorized to purchase materials for the public, standard supplies, and replacement of fixtures as outlined in the annual budget. The Executive Director and management staff are authorized to enter into routine repair and maintenance contracts, as permitted by the budget, without prior Board approval. The Executive Director is authorized to sign contracts on behalf of the Morton Grove Public Library.

Purchases and services should be made with attention to the lowest possible cost, consistent with the needs of the Library with regard to durability, performance, prior experience, delivery, and service capability. Whenever possible and practical, Library staff should obtain at least three (3) estimates before purchasing services, equipment, or materials for the Library.

The Executive Director is authorized to spend up to \$7,500 on any single item not accounted for in the budget without prior approval of the Library Board.

In emergencies involving public health, public safety, or where immediate expenditure is necessary for repairs to the Library property in order to protect against further loss of, or damage to, Library property, to prevent or minimize serious disruption in Library services or to insure the integrity of Library records, the Executive Director may make purchases over \$7,500 per vendor to restore stability to the situation. The Executive Director will confer with the Board President, Secretary, or Treasurer when making such a purchase of goods or services and document the circumstances surrounding the emergency and the response.

**Competitive Bidding Process**

In accordance with Chapter 75 ILCS 5/5-5, and except as otherwise provided, all purchase orders or contracts for products and services in excess of \$25,000 shall be subject to a competitive bidding process.

Contracts for the services of individual(s) or organizations with individuals possessing a high degree of professional skill, where ability and fitness of the individual play an important role, such as consulting services, may be made by obtaining written proposals and/or requests for qualifications, instead of competitive bidding. When such written proposals and/or requests for qualifications exceed \$25,000, the Board will be asked to waive bids and approve entering into the contract.

Contracts for materials, utilities, emergency services, or that are only available from a single source are not adaptable to award by competitive bidding and shall not be subject to the competitive bidding policy. However, such contracts in excess of \$25,000 shall be presented to the Board requesting approval to waive bids and enter into a formal contract.

**Credit Cards**

The Executive Director and management staff shall be issued a Morton Grove Public Library credit card. Credit cards shall only be used for Library business and all uses shall be properly documented. For additional information, see the Credit Card Use Policy.

**Petty Cash**

The Library will maintain a petty cash fund of \$200 for the purposes of small purchases, providing refunds to patrons, or making change. The funds will be in the safekeeping of administrative staff, who will record all payments and replenish the fund each month, as necessary. All payments must be approved by the Executive Director or designee prior to disbursement.

**Internal Controls**

The Executive Director and administrative staff shall establish a system of internal controls and written operational procedures designed to prevent loss, theft, or misuse of funds.

**Routine Banking Procedures**

The Executive Director or designee is authorized to make deposits into appropriate Library accounts. Such deposits include, but are not limited to, the deposit of accumulated fees and fines, donations, grants, and tax receipts.

The Executive Director and Administrative Assistant are authorized to transfer funds from one Library account to another Library account for payment of Library bills and payroll. All payments are reviewed and authorized by the Executive Director or designee, as well as Morton Grove Public Library Board of Trustees. The opening/closing of any bank accounts must be approved by the Board.

All Library disbursements shall be made by means of checks drawn upon the Library accounts, authorized ACH payments, or credit cards maintained by the Library for use by the Executive Director and management staff to conduct Library business. All checks require two

authorized signatures. The Board President, Secretary, Treasurer, and the Executive Director are authorized to sign checks.

### **Financial Reports and Audits**

On a monthly basis, the Executive Director shall present written reports on the Library finances to the Board of Trustees. This report will include a full list of bills and charges, cash balances, and an income statement.

An independent auditor appointed by the Board shall conduct an annual audit of the Morton Grove Public Library's finances in accordance with the law and generally accepted accounting principles (GAAP).

### **Expenses – Staff and Board**

The Library shall reimburse any staff member for actual and necessary expenses incurred while on official Library business as determined and approved by the Executive Director.

The Library shall reimburse members of the Board of Trustees for actual and necessary expenses incurred in conducting official Library business as determined and approved by the Board.

All expenses incurred by members of the Board of Trustees attending Library related conferences, meetings, and workshops will be paid for by the Morton Grove Public Library and are subject to the Local Government Travel Expense Control Act, 50 ILCS 150/1 et seq.

### **Disposition of Surplus Property**

Library property (i.e. – print and non-print materials, equipment, supplies, and/or any personal property whether purchased by the Library or donated) which, in the judgment of the Executive Director or designee, is no longer necessary or useful for Library purposes may be disposed of in the following manner:

- Recycled or discarded
- Traded in on new equipment
- Given to local cultural, educational, government, philanthropic, or other not-for profit organizations
- Made available for sale

All proceeds from the sale of surplus property will be treated as miscellaneous revenue and deposited in the Library's General Fund.

*Adopted by the Morton Grove Public Library Board of Trustees on November 10, 2022  
Supersedes the Spending Policy*