

Marmot Library Network

Financial Policy

1. Intent:

These policies are based on the recommendations of the Marmot Library Network auditors and are intended as guidelines for the Marmot Executive Board (Board) for the internal use of the Marmot employees.

2. Purpose:

- a. Provide a responsible method of financial accountability
- b. Maintain budgetary control
- c. Assure organizational efficiency
- d. Protect the Board and employees of Marmot

3. Budget:

- a. Board responsibilities
 - i. Approve the Marmot annual budget
 1. Executive Director presents preliminary budget draft to Finance Committee in June
 2. Board receives Finance Committee recommendations in July
 3. Board finalizes the budget at September meeting
 - ii. The Board shall approve all Marmot contracts that include expenditures of \$50,000 or more annually
 - iii. Designate the Executive Director, Board President, and Treasurer as authorized signatories on corporate accounts
 - iv. All checks in the amount of \$50,000 or more shall be signed by the Treasurer who is obligated to inform the entire Board of the transaction
 - v. Order financial audits as appropriate. (It is not expected that an audit will be necessary every year.)
- b. Executive Director responsibilities
 - i. Approve all contracts that include expenditures less than \$50,000 annually
 - ii. Provide monthly financial reports to all members of the Board
 - iii. Designate an additional employee who does not write checks or prepare invoices as an authorized signatory on corporate accounts

- iv. Obtain a fidelity bond or fidelity insurance to cover dishonesty or similar claims against employees and Board members handling the corporate accounts

4. Investments:

a. Board responsibilities

- i. Establish an investment policy
- ii. Designate an Investment Manager
- iii. Require Finance Committee to meet with Investment Manager annually, and Investment Manager to present a report at one Board meeting per year
- iv. Require the Treasurer to sign off on monthly bank statement reconciliations

b. Executive Director responsibilities

- i. Work with designated Investment Manager to track investments
- ii. Include investment statements in monthly financial reports to the Board and Finance Committee

The Board approved the first edition of this Financial Policy May 5, 2010. The Board approved this second edition (with new sections 3.a.v and 4.a.iv, and revisions to section 4.a.iii) November 20, 2013.