



ADMINISTRATIVE POLICY

I. Signatories

All checks other than petty cash checks must be signed by any two of the following people: Board President, Board Vice President, Board Secretary, Board Treasurer, Library Director. Petty cash checks up to \$500.00 may be signed by the Library Director or a single Board officer. Signatories must have a record of their signature and other required information at all banking institutions with which the Library District conducts business.

II. Checking Accounts

The Library District's main checking account shall be maintained at the lowest balance required by the bank to offset fees. This requirement shall be reviewed semi-annually. Funds shall be transferred into the checking account from an interest-bearing money market account to cover expenses when checks are written biweekly. To gain maximum interest on investments, the remainder of the Library District's monies shall be invested in a variety of interest-bearing accounts as outlined in the Investment Policy.

A separate petty cash checking account requiring only one signature shall be maintained for minimal day to day or emergency expenses of less than \$500.00. Transfer of funds to the petty cash checking account shall be at the approval of the Board of Library Trustees upon presentation of documentation of the expenditures made. The balance in the petty cash checking account shall not exceed \$2,000.00

III. Bonding Requirements

As required by Illinois statutes, a surety bond equal to not less than 50% of the total funds received by the Library District in the last fiscal year shall be maintained on the Board Treasurer for protection of the Library District.

IV. Approval Limits

Expenditures over \$2,000.00 must be approved by the Board of Library Trustees. Excluded from this approval requirement are checks written for utilities, Federal Withholding and Social Security, IMRF, library materials, and payroll checks.

Any and all contracts which will require payment of more than \$2,000.00 in a 12-month period must also be approved by the Board of Library Trustees.

In the event of an emergency expenditure over \$2,000 the Library Director, or designated representative, will obtain three verbal quotes if possible. In order, the President, Treasurer, or

Chairman of the Buildings and Grounds Committee may approve the expenditure. All Trustees shall be notified of the nature of the emergency as soon as is practical. Discussion of the expenditure, its purpose, and the method by which it was approved must be included as an agenda item to be discussed during the next scheduled Board Meeting. A situation requiring an emergency expenditure is an unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action. These situations can arise from acts of nature, structural or mechanical failures, conditions that are detrimental to the health, safety, or welfare of patrons or employees, or other unforeseen events that threaten the termination of library services.

V. Bidding

All bidding shall be in compliance with applicable laws. For purchases / contracts which exceed \$20,000, the Library District shall advertise for and accept sealed bids. For purchases which exceed \$10,000 but are less than \$20,000, at least three written proposals shall be procured for Board consideration. In the event that there is proper rationale for not bidding (i.e., emergency situation, unique item, compatibility issue, etc.) the Board minutes shall clearly set forth such rationale. Professional services (legal, audit, insurance, and other as exempt by law) need not be let for bid.

Adopted by: Board of Trustees
11/19/87

Revised: 9/28/89
12/27/90
1/23/92
10/27/94
3/28/96
11/18/99
11/13/01

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2/22/07
2/26/09