

DRAFT
Dover Plains Library

Financial Accounts Policy

All Dover Plains Library accounts have two signers: the President and Treasurer of the Board of Trustees. On election of new officers, the transfer of signer status from former to current President and Treasurer shall be completed within a month.

Additionally, the Library Director will have view-only access to all accounts.

Operating Accounts

Dover Plains Library maintains the following operating accounts, with the stated stipulations as to their purposes.

1. **Main Operating Account** - The checking account contains the 414 fund, unrestricted donations, and monthly deposits by the Library Director of the payments accepted by Library Staff for fees, replacement costs, printing, copying, and other services.
2. **Payroll Account** - This checking account receives transfers from the Main Operating Account in amounts sufficient to cover payroll payments to employees and to tax-collecting authorities.

Operating Account Surplus

The Library cannot intentionally budget a surplus into the Library's annual budget, and must make a good faith effort to avoid surpluses. However, at the end of the fiscal year, if a surplus from the Library's operating budget exists, it will be kept in the Operating Account.

Reserve Accounts

Dover Plains Library maintains the following reserve accounts, with the stated stipulations as to their purposes.

1. **Cash Flow Reserve** - This account contains an amount equal to four months' operating costs. Since the 414 funds from the town do not get disbursed until late April; and, since the library's fiscal year begins January 1, the Cash Flow Reserve funds allow the library to meet its operating expenses during the time between the end of its fiscal year and the disbursement.

Funds will get moved into and out of the Cash Flow Reserve only by motion of the Board of Trustees passed by a majority at a public meeting. The funds may only be moved into the library's Operating Account and must be replenished on receipt of the 414 funding.

2. **Contingency Reserve** - This account contains an amount equal to 10% of the previous year's Operating Budget. These funds are to be used for expenses related to unanticipated losses and damages to the library's facilities and collections.

Funds shall be moved out of the Contingency Reserve only by motion of the Board of Trustees passed by a majority at a public meeting. Funds shall be deposited to replenish this account when the library has received an insurance payment and/or as the Operating Account allows.

3. **Capital Reserve** - This account contains funds allocated for expenses related to specific projects for the upgrade or improvement of the library's facilities and equipment.

The Library Director and/or Facilities Committee shall make recommendations to the Board of Trustees for possible Capital Fund expenditures. The Board of Trustees shall select capital expenditures based on the long-term benefit of the expenditure and the amount of available Capital Funds. Funds shall be moved out of the Capital Reserve only by motion of the Board of Trustees passed by a majority at a public meeting.

Approved DPL Board of Trustees, 2/7/2024