

# *Pine Plains Free Library*

## **IV. G. Claims Auditing Policy**

### Step 1

#### Library Director – *accuracy of disbursements*

1. The Library Director checks the disbursements, invoices, statements, timesheets, and associated paperwork, against goods or services received or anticipated.
2. Paperwork is initialed by the library director to show approval for the disbursements to be paid.
3. Disbursements are put into a folder for the Bookkeeper.

### Step 2

#### Bookkeeper – *preparation of disbursements*

1. The Bookkeeper prepares a transfer or a check to make the disbursements; each disbursement is assigned a trace number, or an ID number, or a check number.
2. An addressed envelope to mail the check and any required paper work for the vendor is prepared.
3. The check is NOT signed by the Bookkeeper.
4. The disbursements and paperwork are put together, returned to the library, and put into a folder for the Treasurer.

### Step 3

#### Financial Officer – *review, signing of checks, presentation of disbursements*

1. The Treasurer reviews the disbursements, signs the checks, and puts the checks in the mailing envelopes.
2. The mailing envelopes, containing the signed checks, are returned to the Library Director to be put into a folder to be held until after the next BoT meeting.
3. The Treasurer or a designee prepares a list of the disbursements for accounts 79 and 89. For account 79, this list will include the date the disbursements were processed by the bank, and check numbers, or ID numbers, or at least the last 4 digits of the trace numbers. For account 89, this list will include the date the disbursements were issued with the check numbers. For both accounts, an annotated brief description of the disbursement will be included.

### Step 4

#### Board of Trustees (BoT) – *approval of disbursements*

1. The disbursements will be available for review by any member of the BoT during regular library hours when the director is on duty. Any questions regarding a disbursement should be discussed with the library Director before the date of the BoT monthly meeting.
2. The Treasurer will present the list of disbursements for the approval of the trustees at the monthly BoT meetings.
3. A trustee objecting to the payment of a disbursement will state why the disbursement should not be paid. The BoT will discuss the issue, and, if the disbursement is rejected, declare a reason for the rejection.
4. A trustee should make a motion to approve payment of the listed disbursements.

### Step 5

#### Library Director – *mailing of checks and retention of records*

1. The Library Director will mail the envelopes with the checks that are approved at the previous BoT meeting.
2. If a disbursement is disapproved by the BoT, the Library Director will contact the vendor to resolve the problem.
3. The Library Director retains, in monthly order, copies of the disbursements, bank statements, related paperwork, etc. for a period of time as specified in the rules relating to public document retention.