



WESTERN DISTRICT LIBRARY

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Authority to Spend Policy

Approved by the Library Board on February 24, 2020

Overview

- A. **Control of Expenditures:** The Board of Trustees of the Western District Library (“Board”) has exclusive authority to establish an annual budget according to state law and Board policies, as well as exclusive authority to approve all expenditures of all Library funds. The Library’s funds are obtained primarily through a levy process in the library’s service area, covering parts of northwestern Henry County, IL and a small corner of southern Rock Island County, IL. The Board acts as the fiscal agent for the Library.

- B. **Library Funds:** Operating funds, capital funds, and other funds (such as bequests or other designated funds) are maintained as needed in separate accounts as designated by IL statute 75 ILCS 16/35/5. Deposits to and expenditures from these Library funds shall be by Library Board approval only, and executed by the Library Director or designee.

- C. **General Considerations**
 - a. In general, all supplies, materials, equipment, and contractual or professional services will be included in the working budget.
 - b. Purchases of same shall be made in accordance with this Policy. Staff requests for equipment, projects, or services over a dollar amount stipulated by the Library Director must be presented to the Library Director or designee for approval.
 - c. The Library Director, or designee, is responsible for determining whether (a) an item is budgeted, (b) adequate funds are available, and (c) the proper purchasing procedures have been followed.
 - d. A summary of expenditures are reported to the Library Board in monthly Treasurer Reports, with emergency purchases being reported as soon as possible to the Board President and Treasurer.
 - e. The Treasurer shall review all monthly expenditures and review signatures to checks. The Library Board may request a review of specific transactions at any time.
 - f. The Library makes purchases in accordance with all applicable laws.

Purchase Authority; Authority to Spend

A. Purchases (Budgeted or Unbudgeted) up to \$3,000

- a. Purchases in this category are typically routine purchases of materials, supplies, and services.
- b. The Library Director is authorized to spend up to \$5,000 on any single item without prior approval from the Library Board.

B. Budgeted Purchases

- a. The Library Director or designee is authorized to pay all budgeted expenditures (invoices, warrants, vouchers, and personnel expenses) and all invoices for contracts and agreements previously approved by the Library Board.
- b. Procedures for obtaining quotes or bids depend on the dollar amount involved, applicable laws, and the suitability of the quote or bid to the specifications outlined by the request.
- c. The Library Director will conduct periodic spot price checks and surveys to ensure quality and economy, i.e. aiming to receive the best usable products at the lowest prices.
- d. All procedures for obtaining, receiving, and posting of bills to Quickbooks Online, working with the Library's accounting firm to reconcile checks and process payroll, and preserving all documents for audit will be developed by the Library Director, as approved by the Library Board.

C. Purchases in Excess of \$3,000 but Less than \$20,000

- a. Purchases in this category are typically furniture, technology, or services.
- b. Every effort shall be made to secure at least three price quotations before selecting a vendor. The Library Director or designee shall obtain these quotations.
- c. If the Library Director or designee believes a purchase should be made from a certain vendor rather than through price quotations, they must get approval from the Library Board.
- d. If unbudgeted, such purchases will need prior approval of the Library Board.

D. Purchases in Excess of \$20,000

- a. 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 twenty thousand dollars (\$20,000) shall be awarded after an open, competitive bidding process.
- b. In certain circumstances, the practical interests of the Library may be served by purchase from a certain vendor (e.g., limited or single vendor pool) even if the amount of the purchase exceeds \$20,000. In such cases, the Library Board may waive compliance with the competitive bid process, unless required by law.
- c. If doubt exists as to whether a competitive bid process is required, the Library's attorney shall be consulted.
- d. If unbudgeted, such purchases will need the prior approval of the Library Board.

- E. **Petty Cash:** The Library Director is responsible for the petty cash fund, which is not to exceed \$100.

- F. **Purchases of a Repetitive Nature:** It may not be practical to obtain competitive price quotations for certain purchases which are repetitive in nature. Periodic spot price checks and surveys by the Library Director or designee will be conducted to ensure quality and economy.
- G. **Emergency Purchases:** In case of emergency, the Library Director, or designee, may spend up to \$20,000 for any unbudgeted expenditures with the approval of either a Standing Committee or any two officers of the Library Board.
- H. **Prevailing Wage:** The Library conducts all applicable work in accordance with the Prevailing Wage Act, 820 ILCS 130/0.01.
- I. **Accounting/Tax Practices:** The Library will work with an accounting firm or CPA to ensure that all legally required tax documents (i.e. 1099 forms), payroll taxes, and other required tax procedures are followed.

Joint Purchasing

The Library shall have the authority to join with other local government in cooperative purchasing plans when the best interests of the Library would be served thereby. The Library may also participate in the Illinois Joint Purchasing Program pursuant to 30 ILCS 525/0.01 et seq.

Maintenance/Service Contracts

- A. Maintenance/service contracts are entered into periodically for essential services. All such contracts, when first proposed, require the approval of the Library Board. Contracts pertaining to the Library building – custodial, landscaping, painting, HVAC, etc., will first be reviewed by the Building Committee then referred to the Board for approval.
- B. As maintenance/service contracts expire, the contracts may be renewed at the discretion of the Library Director provided that each contract is reviewed by the Building Committee on a regular basis.

Local Vendors

When securing price quotations, department managers shall solicit quotations from qualified local vendors. If the price and terms between two or more qualified vendors are equal, vendors located in the Western District Library service area or nearby shall receive preference.

Authorized Signatures; Authority to Sign Checks

- A. All checks require two authorized signature. Authorized signatures include those of the Finance/Budget Committee, the Library Director, and one other staff member.
- B. The Western District Library produces checks needed for the Library to pay its obligations. Checks are signed by two authorized signers. Checks are signed in person. Checks are reviewed by the Treasurer or other Library Board member prior to payment.
- C. A register of all checks (including voided checks) shall be available for inspection by the Library Board if requested. The Treasurer will review and submit a monthly financial report, prepared by the Library Director and the accountant, to the Library Board at monthly Board meetings.