

## **Madison Library Finances and Bookkeeping Policy**

The finances of the Madison Library are maintained in two accounts: Town Budgeted Funds and the Self-Generated Funds. The Town Budgeted Funds are the funds which are voted on at the town meeting in March. These are spent by the Trustees of the Library and approved by the Treasurer. The Town Office pays the payroll and bills approved by the Treasurer. The Librarian presents to the Treasurer every two weeks a list of payroll hours and bills to be paid with invoices and packing lists initialed by Librarian and Treasurer. These are presented to the Town Office for payment. A copy is retained by the Library Treasurer for his/her records and statements. The Library Treasurer and Town Office should reconcile periodically and by year end be within the budget. The Treasurer prepares a statement to be presented to Trustees, librarians and an office copy each month. Town Budgeted Funds not spent during the calendar year are automatically returned to the General Fund. As of Jan. 1 of the following year a new ledger is set up based on the proposed budget before it is approved at the Town Meeting. If the proposed budget is changed at the meeting, adjustments must be made.

The other account is "Self-Generated Funds" composed of gifts, grants, donations, and income earned from copier fees, bank interest, sales of used paperbacks, etc. Every two weeks along with town budgeted report, the Librarian presents the Treasurer with cash from the cash drawer along with a list of income sources. The Treasurer records (QuickBooks) the items, deposits the cash at the Northway Bank and presents a statement to the trustees, librarians and an office copy once a month along with the statement of "town budgeted expenses." This account is non-lapsing and remains under the control of the trustees.

With regard to self-generated funds (sgf) the interest account is made up of Savings account interest and CD interest. The deposit and savings accounts are maintained at the Northway Bank. The CD interest is entered in a passbook at the end of each month. The Treasurer has a check book to write checks from the accounts of self-generated funds. The Treasurer also balances the bank statements. The Treasurer is responsible to see that the proper documents and signature cards are kept up-to-date with the banks, and keeps copies in the Treasurer's file.

In the fall the Treasurer, Librarian and the trustees of the library budget committee prepare a budget for the Town Meeting in March (first to be reviewed by the Selectmen and the Town Budget Committee.) Also, at year end the Librarian and Treasurer prepare an annual report to State Library. In March after the town meeting the Treasurer sends a letter to Attorney General's office enclosing a copy of the sheet in the annual report of "Trustees of the Trust Fund" which shows the two library trusts. Each year (usually in March) the Trustees of the Trust Funds give the library Treasurer a check for the interest received from the trust funds investments (as received). These funds are deposited into the current account at the Northway Bank.

Adopted October 20, 2004

Revised: March 15, 2010; January 15, 2014