



Sycamore Library Fiscal Accountability Policy

I. PURPOSE

The purpose of the Sycamore Library Fiscal Accountability Policy is to ensure sound fiscal management of public funding, and to outline responsibility for the management of that funding.

II. SCOPE

The Fiscal Accountability Policy applies to the financial activities of all funds under the direction of the Sycamore Library and the Sycamore Library Board of Trustees. In the event that this Policy is inconsistent with the Illinois Compiled Statutes or the Illinois Administrative Regulations, the statutes and regulations shall take precedent.

III. BUDGETING

The budget is developed annually as a cooperative process between the board's finance committee, the library director, and additional staff members with responsibility for budgetary elements.

A. Budget Process-The Board, working in conjunction with the Director, will appropriately review a minimum of three fiscal years of financial data for the purpose of creating a draft budget to formulate the annual levy request. This must occur no later than the November board meeting of each year. This draft budget will be considered a working document until the levy request is approved by City Council and the budget is ratified during the April board meeting of each year. The budget is valid for the Library's fiscal year which runs from May 1- April 30.

B. Tax Levy Request- The board, with the guidance of the Director, will determine the annual levy request based on the current and future estimated needs of the Library and its budget. The Library's levy request is submitted to the City Manager in November of each year. City Council is obliged to pass through the Library's levy request, provided the annual Library levy does not exceed .6% of the community's EAV (Equalized Assessed Value.)

C. Capital Improvement- A Capital Improvement is a major, non-routine expenditure for new construction, major equipment purchase, or improvement to existing buildings, facilities, or land with an estimated useful life of 5+ years with a cost of \$2,500 or more. At the beginning of each fiscal year, any excess operating funds from the previous fiscal year will be transferred to the Capital Improvement Fund. Additionally, the Board will

budget an amount every fiscal year to be designated for future capital improvement projects.

IV. AUTHORITY TO SPEND

The Board and Director shall effectively manage the revenues and expenses in a fiscally responsible manner with the goal of meeting community needs while maintaining adequate reserves.

A. Board Authority—The Board designates and entrusts the director with the authority to expend the following amounts:

1. Expenditures up to \$5,000 without prior approval of the Board, provided: (1) the specific expenditures is authorized by the annual budget adopted by the Board; and (2) the specific expenditures will not over-expend any budget line by more than 5% in excess of the amount authorized for that line, pursuant to the annual budget.
2. Expenditures over \$5,000 only in the budgeted area of Materials, without prior board authorization.
3. Expenditures between \$5,001 and \$19,999 on any expense must be approved by the Board but do not require a formal bid.
4. Expenditures over \$20,000 with Board approval, only after completing the formal bid process as described in Illinois Law.

B. Director Authority--The Director is authorized on behalf of the Board to spend Library funds, provided that the expenditure is within the approved budget and does not exceed \$5,000. The Director is authorized to purchase in excess of \$5,000 only in the budgeted area of Materials, without prior board authorization.

1. Contracts

- a. The Director shall present to the Board the terms of all formal contracts for approval.
- b. The Director shall advise the Board of all terms of implied contracts and of any modifications to existing agreements and/or contracts.
- c. No staff under the Director shall enter into a contract, formal or implied, with the exception of Library materials, professional development, and programming, without the prior approval of the Director. Staff members involved shall be aware of all budgetary limitations in those affected categories and shall inform the Director before such implied contracts are made.

C. Staff Authority--Management and staff members are authorized to spend Library funds provided that the expenditure is within the approved budget, and under the regulation of the Director.

V. COMPETITIVE BIDDING

Contracts for construction, remodeling, repairing or improving of a library building or facilities are offered for competitive bidding as required by 75 ILSC 16/40-45. Contracts for architectural engineering or land surveying services are governed by the Local Government Professional Services Selection Act, 50 ILCS 510.

A. Generally, bidding is not required:

- 1.** Where the purchase is less than \$20,000.
- 2.** Where goods and services can be procured from only one source, such as:
 - a.** Public utility services.
 - b.** OCLC.
 - c.** Library utility services or other specially designed library databases.
 - d.** Business and research equipment and related supplies.
 - e.** Artistic or professional skills other than architectural, engineering or land surveying services.
 - f.** For emergency repair to library property.
 - g.** For employee salaries.
 - h.** For maintenance contracts except for maintenance of plumbing, piping, HVAC or electrical systems.
 - i.** For purchases of library materials, supplies, goods and services from another governmental agency or through consortia of agencies.
- 3.** Other purchases of goods and services will be offered for competitive bidding unless the Board determines otherwise.