GEORGE P. & SUSAN PLATT CADY LIBRARY
Financial Controls & Management Policy

Adopted by the Board 10/20/2026

Purpose of Financial Controls & Management Policy

The George P. & Susan Platt Cady Library Board of Trustees (sometimes referred to herein as "board" or "trustees"), as the representatives of the people residing in the Town of Nichols, New York, are legally responsible for the library's finances and financial management.

The purpose of this financial controls & management policy is to establish and define practices and procedures that allow the trustees to manage and safeguard public funds and library assets in a manner that is legal, effective, and transparent to all parties. It is the board's intention to comply with all accounting regulations, standards, and legal requirements relevant to its fiduciary obligations as a governing body relying upon public funds.

The Cady Library policies and procedures comply with the Generally Accepted Accounting Principles. The Board of Trustees, Library Director, and Library Treasurer all bear responsibility for ensuring that the Cady Library complies with these principles.

This policy also defines the roles and responsibilities of the trustees, the library director, the library staff, and the library treasurer. It describes the existing agreement and long-time practice of relying on the Town of Nichols, Tioga Central School District (TCSD), and its appointed treasurer to maintain custody of library public funds (a NYS public law requirement), bill and receive the library tax levy (a NYS public law requirement), process accounts payable, process payroll and all associated obligations, provide fund accounting services, and provide financial reports to the library director and trustees.

Roles and Responsibilities

Board of Trustees

The Cady Library Board of Trustees is responsible for ensuring that library assets and the public funds the library receives are used in accordance with its charter from the Education Department of New York State and in a manner consistent with the aims for which the library was established. In order to meet its fiduciary obligations and provide the library services determined to be of importance to the community it serves, the board of trustees will meet the following responsibilities:

1) Develop an annual written budget in concert with the library executive;
2) Understand and exercise the duty to secure adequate funding for the library's services;
3) Understand and convey to the public the need to seek an increase to the tax levy when necessary;
4) Ensure that all legal requirements of the annual meeting for the purpose of a budget vote and trustee election are implemented;
5) Adopt a budget for the upcoming year and make it available to the public in a timely fashion prior to the annual meeting;
6) Approve or deny pay rates or salary increases for staff upon the recommendation of the library executive;
7) Establish an annual salary for the library executive and approve incremental increases as established in the contract agreement between the board and the executive;
8) Elect a trustee as finance officer annually at the reorganization meeting in July;
9) Implement policy on purchasing, investments, and risk management;
10) Approve contracts for insurance and risk management;
11) Approve contracts for purchase of goods or services requiring comparative quotes or competitive bidding;
12) Approve the disposal or sale of excess library materials and unneeded equipment or other library assets upon the recommendation of the library executive;
13) Monitor income and expenses in relation to the approved budget;
14) Approve budget transfers upon the recommendation of the finance officer or board president;
15) Approve the following monthly reports upon the recommendation of the finance officer:
    a. Expenditure report (accounts payable) for payment by the treasurer
    b. Cash receipts
    c. Treasurer's report of bank accounts reconciliation

Library Director

It is the responsibility of the Cady Library Director to implement financial policies and procedures as established by the board of trustees. The library director trains staff in proper handling of library assets and cash receipts.

The director has the day-to-day responsibility of safeguarding library assets and cash receipts, purchasing materials and supplies, contracting for services, fulfilling NYS reporting requirements, and monitoring petty cash expenditures.

On a monthly basis the executive's duties include:

- Approving and submitting payroll requests to the Town of Nichols Town Clerk;
- Compiling and submitting deposits directly to the Town of Nichols Town Clerk;
- Requesting and receiving financial reports from the Town of Nichols Accountant for review by the Cady Library board

One of the director's major responsibilities is working with the board of trustees to prepare an annual budget that meets the statuary mandates and desired outcomes of providing library services to the community. The director continually plans and monitors expenditures within the framework of the budget.

With the support and assistance of the board, the director seeks special grant funding for additional programs and services.

The director also initiates discussion of capital improvement needs with the board. Upon making a decision to proceed with a capital project proposal, the director seeks funding through New York State and other possible funding sources.

Library Staff

It is the responsibility of all library staff to understand and follow financial management policies set forth by the board of trustees and procedures developed and put in place by the library director. All employees of the library have a duty to protect library assets to the best of their ability. Anyone who observes or has knowledge of an instance of impropriety has a duty to report it to the executive.

George P. & Susan Platt Cady Library Treasurer

The Treasurer of the Cady Library shall be the Nichols Town Supervisor. In addition to having custodial responsibility for all Cady Library public funds, the treasurer fulfills the Cady Library's needs for fund accounting, payroll and related requirements, accounts payable (issuing checks and recording warrants), cash receipts, banking, financial reporting.

The Tioga Central School District Treasurer

The Treasurer of the Tioga Central School District is appointed annually by the Board of Education. The school treasurer and other school business office employees who have been authorized by the board of education as signatories are the designated signatories for library tax levy cash disbursements.

The school treasurer oversees the annual tax levy and collection of school and library taxes, and authorizes the transfer of tax revenue from the tax collector account to the Cady Library account during the period of September through approximately November 15 each year.

The school district treasurer and other employees of the school business office are subject to and governed by the standards and policies set forth by the Tioga Central School Board of Education, which include all relevant aspects of public finance law.

Town of Nichols Finance Liaison

The Finance Liaison between the Town of Nichols and the Cady Library Board of Trustees is a Town Board Member who is appointed by the Town Board.

The finance liaison has the responsibility to review all financial reports submitted by the Town Accountant and to make recommendations to the full report for acceptance of the reports and payment of the warrants. The finance liaison assists the Cady Library Director as needed in financial matters and takes an active role in monitoring the revenue and expense budgets, making recommendations for budget transfers when the need arises.

Fraudulent Activities

All members of the Board of Trustees, the Cady Library Staff, and the Nichols Town Supervisor have a duty to ensure that they safeguard the Cady Library's financial assets. Fraud is the intentional act or course of deception, an intentional concealment, omission, or perversion of truth, to appropriate property (monetary and tangible) entrusted to one's care and converting it to one's own use. Willful fraud is a criminal offense and will be treated as such. The Cady Library has a "zero tolerance" policy on fraud. It is every Cady Library employee's responsibility to act in an ethical manner at all times. The following is an example list of actions that constitutes fraud:

Examples of Fraud:

- Theft of cash, securities, merchandise, equipment, supplies, or other assets
- Unauthorized use of the Cady Library's employees, property, phones, or other resources
- Submission of personal or fictitious employee expenses for reimbursement or fictitious or inflated vendor invoices or payroll records for payment
- Receiving kickbacks or other unauthorized personal benefits from vendors or others
- Forgery or fraudulent alteration of any check, bank draft, statement, billing, record, form, report, return, or other financial document
- Intentional material misclassification or misrepresentation of revenues, expenses, costs, or other data in financial statements, reports, regulatory returns, applications, or other communications
- Intentional failure to disclose material related party transactions, noncompliance with lender requirements or donor/grantor restrictions or other required disclosure matters

- Intentional improper use or disclosure of confidential donor, patron, employee, or organization proprietary information
- Any other illegal or unethical activity

Board of Trustees Responsibilities

The Board, with the assistance of the Library Director or Nichols Town Supervisor (when appropriate), is charged with the following responsibilities.

- Creating, demonstrating, and maintaining a culture of honesty and high ethics by setting the "tone at the top." This includes a "zero tolerance" for unethical behavior and communicating it to all employees and volunteers of the Cady Library.
- Regularly assessing fraud risks (including management fraud) and related risks that may occur within the Cady Library. This includes monitoring the appropriate policies, procedures, and controls designed to mitigate or eliminate the risk of fraud and abuse.
- Insuring that employees and volunteers be alert to warning signs of fraud and unethical behavior and providing a system to report such matters.
- Insuring regular audits of the Cady Library's financial records.

Staff Responsibilities

It is the responsibility of every Cady Library Employee, Trustee, Liaison, and Volunteer to report, preferably in writing, discovered or suspected unethical or fraudulent activity immediately to the Library Director or Town Supervisor.

No reporting party who in good faith reports such a matter will suffer harassment, retaliation, or other adverse consequences. Any Cady Library Employee, Trustee, or Volunteer who harasses or retaliates against a party who reported such a matter in good faith is subject to discipline up to and including termination of employment. Additionally, no Cady Library Employee, Trustee, or Volunteer will be adversely affected because they refuse to carry out a directive which constitutes fraud or is a violation of state or federal law.

Any allegation that proves to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Discovered or suspected matters can be reported anonymously or on a confidential basis. Anonymous allegations will be investigated, but consideration will be given to seriousness of the issue, its credibility, and the likelihood of confirming the allegation from other reliable sources. In the case of allegations made on a confidential basis, every effort will be made to keep the anonymity of the reporting party consistent with the need to conduct an adequate and fair investigation.

Allegations will not be discussed with anyone other than those who have a legitimate need to know. It is important to protect the rights of the person(s) accused, to avoid damaging their reputation should they be found innocent and to protect the Cady Library from potential liability.

Investigation Procedures

The Board President and Financial Liaison and/or other person(s) designated by the Board of Trustees will investigate all allegations on a timely basis. The investigation may include but is not limited to examining, copying, and/or removing all or a portion of the contents of the Cady Library's files, desks, cabinets, and other facilities without the prior knowledge or consent of any individual who may use or have custody of such items or facilities when it is within the scope of the investigation.

The reporting party must not attempt to personally conduct investigations, interviews, or interrogations to the alleged fraudulent activity.

Resolution Procedures

The results of the investigation will be reported to the Board of Trustees. Actions taken against the perpetrator of alleged fraud will be determined by the Board in consultation of legal counsel.

Investments, Transfers, and Deposits

Scope
This policy applies to all monies and other financial resources available for investment or transfer by the Cady Library, including operating funds, reserve funds, and trust funds.

Objectives
The primary objectives of the library's investment activities are, in priority order:
LEGAL: to conform with all applicable federal, state, and legal requirements;
SAFETY: to adequately safeguard principle;
LIQUIDITY: to provide sufficient liquidity to meet all operating requirements; and
YIELD: to obtain a reasonable rate of return.

Delegation of Authority
The Board of Trustee's responsibility for administration of this investment policy shall remain solely with the Board, who shall act in accordance with the objectives of this policy.

Prudence
All participants in the investment and transfer process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the George P. & Susan Platt Cady Library.

Funding Employee Benefits

New York State Employees' Retirement System (NYSERS)

All library employees are entitled to join the NYSERS. The Nichols Town Clerk forwards the employee contribution share (currently 3%) to the System on a monthly basis. The employer rate is established annually and is based on the level (Tier) at which each employee joins. The Nichols Town Clerk will transfer the library's share of the bill from the library account to the district's account when the payment is made.

Social Security and Medicare

As a function of the payroll process, the Cady Library contributes the employer's share cost of social security/Medicare tax. This is completed through a fund transfer during each monthly or special payroll processing completed through the school district.