Financial Policy

• Bidding for Contracted Services

The Library District shall encourage competitive bidding for contracted services. Bid requests will be listed for at least seven days on the Library's web page.

Bids may be received by mail, e-mail, or fax. E-mail and fax submissions shall be sealed immediately upon receipt. No negotiation will be allowed as to bid amount after submission.

The District shall do everything in its power to encourage the submission of proposals from local providers. The District has a responsibility to its residents, however, to insure that the maximum value is obtained for each public dollar spent, it is expected that local providers who wish to do business with the District will offer the lowest possible quote for the service being supplied.

Although price shall normally be a major consideration in all bids, the District reserves the right to take such factors as durability, timeliness, availability and operating cost into consideration when awarding a bid. Low bidders may be rejected where serious reservations about the quality or suitability of items or services exist. The District reserves the right to waive minor irregularities in submitted bids, or to waive normal bidding procedures in an emergency when it is in its best interest to do so. Existing bids may be renegotiated or extended if it is to the District's benefit.

Bids for contracted services shall be on a set schedule of review every 3 years based on the following dates:

Groundskeeper	11/2021	Countryside Plants
Grounds Maintenance	1/2020	Litwiller
Janitor	12/2019	Hilty

• Capitalization

This accounting policy is hereby established for bookkeeping purposes regarding capitalization expenses for the year January 1, 2015 and thereafter.

Material and Supplies

The Morgan County Library Trustees establishes a $300.00 or less per item standard threshold amount as the minimum capitalization for material and supply purchases. Any amount costing below this amount should be expenses on the books and records. However, the collections purchases will be expensed regardless of the amount.

Capital Asset Definition

A “Capital Asset” is defined as a unit of property that:

a) Has an economic useful life that extends beyond 12 months; **and**
b) Was acquired or produced for a cost of $2500.00 (including taxes, freight, installation costs) or more per item or invoice. Capital Assets must be capitalized and depreciated for financial and tax purposes.

Capitalization Thresholds

The Morgan County Library Trustees establishes $2500.00 (including taxes, freight, installation costs) as the threshold amount for minimum capitalization in accordance with Internal Revenue Code Section 167 and 168 and related Regulations. Amounts exceeding this dollar limit will be examined individually to determine if their use of purpose requires capitalization under the betterment, adaptation or restoration rules used by the Internal Revenue Service and will be capitalized or expensed as incurred as a result of the application of those rules.

Capitalization Methods and Procedure

All capital assets will be recorded at historical cost as of the date acquired.

Tangible assets costing below the aforementioned threshold amounts are recorded as an expense for bookkeeping purposes. Additionally, all assets regardless of costs with an economic life of 12 months or less are required to be expensed for bookkeeping purposes.

Recordkeeping

All invoices substantiating an acquisition cost of each unit of property shall be retained for a minimum of 4 years.

• Debit Card Policy

The purpose of the debit card policy of the Morgan County Library is to facilitate purchases for the Library.

General Rules

1. The Director will be responsible for the issuance, account monitoring, and retrieval and generally for overseeing compliance with the debit card policy.
2. The Director may use the debit card, only for goods or services for the official business of the Library.
3. The Director is responsible for the protection of the debit card and will immediately notify the financial institution issuing the card if the card is lost or stolen.
4. The Library will use disciplinary measures consistent with current law for unauthorized use.
5. Any benefits derived from the use of the debit card will be the property of the Library.

6. The Morgan County Library accepts full responsibility for the debt incurred on the debit card.
7. Debit cards will be issued in the Director's name as per the policy of the bank.
8. The Director must immediately surrender the debit card upon leaving the employ of the Library.

Documentation

1. Receipts supporting debit card usage MUST be included in the monthly voucher folder.
2. The receipts should be stapled to an 8 ½' by 11" piece of paper. Sufficient description should be provided on the attachment to assist the accounting department in coding the charge to the proper general ledger account.

• Disbursement and Purchasing

Disbursement and purchasing shall be approved by the District and or Board of Trustees within the following spending parameters:

1. All disbursements shall be made based on the approved budget.
2. The Board of Trustees delegates to the Library Director the authority to contract on behalf of the library for the purchase of goods or services when said purchases are pursuant to a budget previously approved by the board.
3. All spending requests, approved within operating budgets which exceed $5,000 shall be approved only upon motion of the Board.
4. Documentation of such expenditures approval shall normally be approved during board meetings and noted in the board minutes. An over budget report will be approved by the board of trustees at the end of the fiscal year.
5. Any purchases of $10,000 or more shall be based on competitive bids, following the rules of Missouri Revised Statute Chapter 34.
6. Library books and materials as well as single-source equipment necessary for library operations are not subject to these procedures or to bid requirements. Purchases for these items are made under appropriation approval through the library's annual budget.

• Disposal of Assets Policy

Morgan County Library acquires assets such as furniture and equipment through funding from tax revenues, gifts, state aid, fines, fees, and grants for use by the library for services and programs. The library records in its Asset Inventory about each asset acquired that is over $300 (see Capitalization Policy), including the date of acquisition and cost, and upon its disposal, the date and reason for disposal.

1. If an item is no longer in use because it is broken, obsolete, or of no future use to the library, the Director may designate the item for sale or for discard, at the Director's discretion.
2. If an item designated for sale is used primarily by a library, the Director will offer it to other libraries in the state, via notices in library communications, for purchase at fair market value as
   determined by the Director.
3. If an item designated for sale is of general use, the Director will first offer it to Morgan County
   Library employees for purchase at fair market value as determined by the Director.
4. If an item designated for sale is of general use and has not been purchased by an employee, the
   Director will offer it to the public for purchase at fair market value as determined by the Director.
5. If an item is not purchased by a library, an employee, or a member of the public, the Director
   will dispose of the item at the Director's discretion.
6. Morgan County Library is not responsible or liable for the condition of any item sold or otherwise disposed of and will not provide support or maintenance for any item purchased by another library, an employee, or a member of the public. All items are sold or disposed of "as is" and all sales or other dispositions are final.
7. The Director will deposit to the library's Miscellaneous Income account all money received from the sale of asset items.
8. The Director will submit annually by October 31 to the Board of Trustees written notice of completed sales or other dispositions during the previous fiscal year of each asset item which
   had an original acquisition cost of $1,000 or more.

• Reserves

A key responsibility of the board is to seek and secure funding from public and private sources and to monitor those funds in a way that supports the long-term sustainability of the library district.

Reserves

The Morgan County Library maintains reserve funds for maintaining facilities and the replacement of furniture and equipment. These reserve funds reflect the future needs of the library district

- The Morgan County Library maintains an operational reserve to cover up to one year of expenses, and a separate capital fund for maintaining facilities and the replacement of furniture and equipment.

Prior Years Reserves

- Funds are kept in the Operating Cash/Money Market Account
- These funds represent less than 25% of the operational reserve

Certificates of Deposit

- Funds are renewed at the best available rate
- These funds represent less than 75% of the operational reserve

Approved by Library Board of Trustees on November 14, 2019