

OSC Common Findings

Top 5

Compiled by the Mid-Hudson Library System

① Claims Audit Process

- The full board is responsible for the **“audit and approval” of each claim** (a.k.a bill) **prior to payment**
- Every claim needs to be **adequately documented and supported by:**
 - Voucher
 - Purchase order (where applicable)
 - Itemized receipt or invoice
- The Board, by resolution, **may authorize payment in advance** of their audit for claims for:
 - Public utility services (electric, gas, water, sewer and telephone)
 - Postage

Continued...

- Payments **not requiring pre-audit** include:
 - Fixed salaries
 - Principal or interest payments on debt
 - Payments made in pursuant to a court order
 - Amounts due upon lawful contracts for periods exceeding one year
 - Retirement contributions for those libraries participating in the New York State and Local Retirement System
- The Board, by resolution, **may establish a petty cash fund** and authorize petty cash payments in advance of the claims audit process

② Cash Handling Procedures

1. **Segregate duties** surrounding the receipt of cash
2. Each employee should have their own assigned cash drawer or enter a unique register code into the **cash register**
3. Daily: **Two employees should count the cash** collected and compare the total to the cash register tapes
4. **Daily bank deposits** are recommended
5. The library director should routinely **compare fines recorded as received by the staff with cash register tape totals and bank deposits**

③ Purchase/Procurement

- **General Municipal Law (GML) Competitive bidding requirement thresholds:**
 - Purchase contracts over \$20,000
 - (cumulative over the fiscal year)
 - Public works contracts over \$35,000
- **Library's policy should define how purchasing is done below the GML thresholds**

④ Credit Card Policy

- Who is authorized to use the credit card?
- Dollar limits for purchases
- Description of allowable purchases
- Describe the documentation requirements

5 IT

- Who has access to computers/files with the library's financial data in them?
- Password management
- Who is authorized to make electronic transfers of funds?
- Do you have cyber liability insurance?**
- Do you have a Business Continuity Plan?