

01.01 DEVELOPMENT OF PROCEDURES

Policy Statement: It is the policy of The Waterloo Library and Historical Society to establish and maintain records to record costs of the organization based on generally accepted accounting principles (GAAP), as well as any applicable, current and existing Federal guidelines.

Policy Interpretation and Implementation:

A. Costs are documented and recorded through the general accounting process based on GAAP. The systems established for purchase orders, check disbursements, petty cash disbursements, and accrual of costs all support the measurement and reporting of direct and indirect expenses of the organization.

[Board action is pending on the implementation of purchase orders.]

B. Cost categories of the organization include:

1. personnel expenses
2. management and general
3. project grant expenses
4. capital equipment

C. Interim financial statements are produced each month reporting costs for each category. The information is also used to assist in the process of developing the organization's budget as it pertains to the tax levy and to assist in the projection of costs and budgets for the upcoming year.

D. The Executive Director and the Finance Committee analyze interim financial statements on an annual basis to determine whether a change in procedure is warranted, and the Finance Committee shall present a report of its findings and recommendations to the Board of Directors.

E. All expenditures must be reviewed/approved by Executive Director and appointed board member(s).

Approved 3-30-2017

01.02 POLICY – ANNUAL AUDIT

Policy Statement: It is the policy of The Waterloo Library and Historical Society (WLHS) to have an annual audit performed by an independent and reputable auditing firm.

Policy Interpretation and Implementation:

An annual audit will be completed for WLHS. The term "audit" will also include financial reviews that may not be as extensive as a full audit. These audits will be conducted by an independent certified public accountant. The resulting report must cover the credibility of the organization's financial reporting and accounting procedures. The CPA performing the audit will meet with the Board by closing of fiscal year to present the report, answer questions, and provide feedback on recommended procedural changes.

In the event the Library receives Federal or State grant funds equal to or in excess of the limits that require an A-133 Federal grant audit (>\$500,000 see <http://www.compasspoint.org/askgenie/details.php?id=77>) or State grant audit, such audit in compliance with generally accepted accounting standards will be completed and submitted to the appropriate governmental agency.

NOTE:

Appendix A - Standard Clauses for New York State Contracts provides for the right to examine records pertinent to contracts awarded by New York State agencies.