

## Pinnacle Library Cooperative Fiscal Accountability Policy

### I. Purpose

- A. The Fiscal Accountability Policy for the Pinnacle Library Cooperative provides a framework for the Governing Board and staff to maintain the fiscal operations of the consortium.

### II. Scope

- A. The Fiscal Accountability Policy applies to all current and future investment activities of the Cooperative.

### III. General

- A. Cooperative financial policies shall be in accordance with Illinois law.
- B. As stated in the Cooperative Bylaws, the Treasurer shall give a bond or government crime policy for the faithful discharge of his/her duties. The cost of the bond or policy will be paid by the Cooperative.
- C. All current and previous financial records of the Cooperative are maintained by staff in accordance with the Local Records Act.
- D. The Governing Board shall determine all actions on financial matters via a roll call vote.
- E. Each year's annual budget shall be approved by the Governing Board.

### IV. Deposits

- A. All revenue received by the Cooperative shall be deposited into the Cooperative's bank accounts according to local procedures.

### V. Expenditures

- A. All Governing Board members and the ILS Manager shall be authorized signatories on all bank accounts.
- B. The ILS Manager shall carry out the day-to-day operations of the cooperative, within the budget approved by the Governing Board.
- C. The ILS Manager has authority to purchase equipment or services in an amount less than \$5,000. These purchases will be reported at the next Governing Board meeting. All amounts over \$5,000 require approval of a majority of a quorum of the Governing Board via a roll call vote at a Board meeting.
- D. The ILS Manager has authority to review and renew annual service contracts, provided they have been included in the annual budget. Acceptance of new annual services require approval of the Governing Board via a roll call vote.
- E. All financial transactions shall be reported to the Governing Board at its regularly scheduled meeting.

## VI. Banking

- A. The ILS Manager or his/her designee is authorized to make deposits into Pinnacle bank accounts.
- B. The ILS Manager or his/her designee is authorized to transfer funds between Cooperative accounts for the purposes of paying bills that have been approved by the Governing Board.
- C. All regular checks paid by Cooperative shall have two signatures, from any combination of current Governing Board members or the ILS Manager.

## VII. Investments

- A. All investment policies of the Cooperative shall be in accordance with Illinois law, as defined in the Illinois Public Funds Investment Act.
- B. The Treasurer shall be responsible for the management of the Cooperative's investment policies and procedures. Acting as Chief Investment Officer, the Treasurer and ILS Manager shall establish, implement and maintain the Cooperative's investment program.
- C. The Treasurer shall implement and oversee a system of internal controls and procedures to prevent loss, theft or the misuse of funds. The Treasurer has authority to specifically designate individuals responsible for investment transactions, check signing, account reconciliation, and deposit preparation.
- D. When selecting investments, the Governing Board shall consider the following general guidelines:
  - 1. Legality and Safety – Investments shall only be made in securities guaranteed by the FDIC.
  - 2. Liquidity – The type of investment and length shall be considered to ensure the Cooperative is able to meet its cash flow needs.
  - 3. Return on Investment – Within the guidelines above, every effort should be made to achieve the highest possible return on investment.
- E. Investment advisors, money managers or similar services may be used on an as-needed basis, as determined by the Pinnacle Governing Board.
- F. Investments and account balances shall be reported at each regular meeting of the Governing Board.
- G. Governing Board Members and employees involved in the investment process shall not engage in any personal activity that could be deemed a conflict of interest.

## VIII. Credit Cards

- A. The Cooperative may maintain a credit card for use by the ILS Manager to meet the regular operating needs of the cooperative.
- B. All transactions on the credit card shall be documented with receipts and reported on a monthly basis.

IX. Governing Board

- A. All Governing Board members serve without compensation.

X. Pinnacle Staff and Board

- A. Pinnacle staff will be reimbursed for travel in accordance with the Travel Event and Membership Policy of the Shorewood-Troy Public Library.
- B. Board Members will be reimbursed for travel in accordance with the Travel Policy of the Pinnacle Library Cooperative.

XI. Budget and Reserves

- A. The Cooperative fiscal year shall be July 1 through June 30.
- B. The Cooperative may maintain a Reserve Fund.
- C. As a goal, the Reserve Fund balance shall be between 25% and 75% of the current year's operating budget.
- D. The Governing Board shall, from time to time, review potential uses for the Reserve Fund.
- E. At the conclusion of each fiscal year, the Treasurer shall determine an amount to transfer from the operating fund to the Reserve Fund.

XII. Audit

- A. Annually, an outside audit shall be conducted on all financial activity of the Cooperative.
- B. Audits shall be presented to the board and approved no later than 6 months after the close of the fiscal year.