

## **Madison County Public Library Fiscal Responsibility Policy (21)**

### **General Purpose**

The Madison County Public Library's Director and Board of Trustees will remain objective in their duties, responsive to the needs of the community, and will not use their public positions for personal gain. Accordingly, the director and board members must maintain the highest commitment to their responsibilities as stewards of the library district's public funds.

### **District Funds**

The Madison County Public Library defines all district funds as "public funds." This includes, but is not limited to, all sums actually received in cash or negotiable instruments from all sources, whether or not the money has ever been deposited into a library account. Any money controlled by the library, including gifts, fines, fees and all funds received from any source, are considered "public funds" and are governed by this policy.

### **Personal Use of District Assets**

Neither the director nor any board member will use or permit the use of library funds, vehicles, equipment, telephones, materials or property for their own personal benefit or profit. Neither the director nor board member will ask or require a library employee to perform services for the personal benefit or profit. The director and all board members will safeguard library property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

### **Segregation of Fiscal Duties and Internal Controls**

No one person will control or perform all key aspects of a transaction or financial event. Segregation of duties acts as an important internal control activity that helps detect errors in a timely manner and deters improper activities. Internal controls instituted by the library will assist the board in maintaining adequate fiscal oversight of the expenditure of funds.

The Madison County Public Library shall institute a system of internal controls and a segregation of duties which meet or exceed the guidelines outlined in the *Kentucky Auditor of Public Accounts - Recommendations for Public and Nonprofit Boards*. The adequacy of these guidelines and our compliance efforts should be reviewed after each annual audit and as otherwise needed. Procedures shall be modified to correct any deficiencies discovered during regular audits or at any other time.

### **Policy Enforcement**

All library employees, the director, and board members are bound by this policy.

Any alleged violation of this policy by library staff shall be investigated by the director and reported to the board. If actual violation is determined, the director shall impose sanction appropriate to the degree of violation, up to and including termination. Any employee impacted by an action under this policy may appeal to the board.

Any alleged violation of this policy by the director shall be investigated by the board, or by a committee appointed by the board for this purpose. If actual violation is determined, the board shall impose sanction appropriate to the degree of violation, up to and including termination.

Any alleged violation by a board member shall be investigated by the remaining board members. If actual violation is determined, the board may impose sanction as warranted, up to and including requesting the resignation of the board member. At the option of the board, and in accordance with KRS 65.007, the fiscal court may be requested to initiate removal proceedings for any board member found in violation.

The library reserves the option of reporting any significant violation of this policy to appropriate law enforcement agencies for investigation and possible prosecution.