



Fort Hunter

FREE LIBRARY

167 Fort Hunter Road • Amsterdam, NY 12010

518.829.7248

Policy Title: Finance Policy – Payment Authorization/Claims Audit

Policy Purpose: The purpose of the Payment Authorization/Claims Audit Policy is addressed in General Finance Policies.

Policy Statement: FHFL prevents mistakes, misconduct and fraud in the payment of claims through a stringent system of check inventory control, payment approval process, and bank reconciliation procedures. All payments are reviewed and approved by the Director, the Treasurer and for non-routine purchases, the full Board. The board will appoint the authorized signatories at each annual meeting. The Board of Trustees and Director are responsible for the effective implementation of this policy.

Administration: Payment Authorization/Claims Audit Guidelines

Check Inventory Control

Pre-numbered checks are received from the vendor and kept in a secure location. All checks are run through the Quickbooks software. Voided checks are defaced and retained.

Payment Authorization

The Treasurer prepares a list of invoices to be paid and provides it to the Board at their monthly meeting for approval. If a monthly meeting is not held, the Board will authorize routine payments such telephone, rent, etc.

Bank Reconciliation

Reconciliation of the Bank Statements and preparation of the Finance Report is done by the Treasurer monthly.

Separation of Duties

Recognizing the small nature of FHFL with one employee, FHFL achieves appropriate separation of duties by delating specific tasks as follows:

Treasurer *– performs bank reconciliations and prepares financial reports, reviews invoices, prepares and signs checks.

Director – Places orders approved through budget, receives/checks orders, reviews invoices.

Board of Trustees – Reviews invoices and financial reports.

**Specific additional Trustees are approved to sign checks in the Treasurer’s absence.*

Credit/Debit Card Use and Payments

The Fort Hunter Free Library maintains one credit/debit card for payments that cannot be made by check.

The Treasurer will issue the card as needed. Cards will be kept with the Treasurer when not in use.

Card cards may be used only for purchases that have been pre-approved.

Approved: June 1, 2017