

Mitchell Community Public Library Finance & Investment Policy

Approved by the Mitchell Community Public Library Board December 28, 2020

Revised January 23, 2023

Board of Finance

The duly appointed members of the Mitchell Community Public Library (MCPL) Board are the fiscal body of the library and thus constitute the "Board of Finance." The members serve without compensation. (IC 5-13-7-5, IC 36-1-2-6)

Annual meeting

The MCPL Board of Finance shall meet annually after the first Monday and on or before the last day of January to elect a President and Secretary, review the written report of the investments made by the Library during the previous calendar year, and review the investment policy of the Library.

Treasurer

The MCPL Board of Finance shall annually elect a Treasurer. The Treasurer may be either a member of the Board of Finance or an employee of the MCPL. However, the Library Director may not also be the Treasurer.

The Board may fix the rate of compensation for the services of the Treasurer. (IC 36-12-2-21)

The Treasurer:

- Is the official custodian of all library funds;
- Is responsible for the proper safeguarding and accounting of all library funds;
- Shall issue warrants approved by the library board in payment of expenses lawfully incurred on behalf of the library; and
- Shall make financial reports of library funds and present the reports to the library board every month.

The Board may prescribe the powers and duties of the Treasurer consistent with this chapter. The Treasurer may be removed by the Board at any regular or special meeting by a majority vote of the entire membership of the Board. The Board may elect a successor Treasurer if a vacancy occurs in the office.

The Treasurer shall give a surety bond for the faithful performance of the Treasurer's duty and for the accurate accounting of all money coming into the Treasurer's custody. The bond must be:

- written by an insurance company licensed to do business in Indiana,
- for the term of office of the Treasurer,
- in an amount determined by the library board,
- paid for with the money from the library fund,
- payable to the State of Indiana,
- approved by the Board,
- and deposited in the office of the recorder of the county in which the library district is located. (IC 36-12-2-22)

Deposits

All funds received by the MCPL shall be deposited in one or more designated depositories within three days of receipt or when deposit amount exceeds \$500, whichever comes first.

All public funds of the MCPL shall be deposited in the designated depositories located in the territorial limits of the library district. (IC 5-13-8-9)

Investments

The Treasurer is authorized to invest library funds as approved by the Board in the following (IC 5-13-9);

- 1) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by
 - a. The United States Treasury;
 - b. A federal agency;
 - c. A federal instrumentality;

- d. A federal government sponsored enterprise. (IC 5-13-9-2 (A)(1))

2) Securities fully guaranteed and issued by the following:

- a. A federal agency;
- b. A federal instrumentality;
- c. A federal government sponsored enterprise (IC 5-13-9-2 (A)(2))

3) Repurchase agreements

- a. Such vehicles may be used as outlined in IC 5-13-9-3.

4) Money Market Mutual Funds

- a. Such vehicles may be outlined in IC 5-13-9-2-5.

5) Deposit Accounts

Prohibited investments

The MCPL may not purchase securities on margin or open a securities margin account for the investment of MCPL funds. (IC 5-13-9-9)

In addition, the MCPL may only place its funds in investment vehicles that are in accordance with Indiana Code. (IC 5-13-9)

Interest earnings

All interest derived from an investment shall be receipted to the funds of which they are a part. (IC 5-13-9-6)

Electronic Transfer of Library Funds (EFT)

Pursuant to the provisions of IC 5-13-5-5, the Library Director and Treasurer are authorized to institute electronic fund transfer for the transaction of library financial affairs, including

the payment of wages to library employees via electronic funds transfer, including direct deposit.

The Treasurer will maintain appropriate documentation for the transactions so these may be audited as required by statute. The Treasurer's signature will be on the letter of authorization for transfers which will be forwarded to the financial institution. (IC 5-13-5-5)