

DOWNINGTOWN LIBRARY COMPANY FINANCE POLICY

Authority:

The Downingtown Library Company (DLC) Board of Trustees (Board) is ultimately responsible for the financial management of the library. The Treasurer is authorized to act on the Board's behalf on financial matters when action is required in advance of a meeting of the Board of Directors.

Procedures:

- The Library Director (Director) is responsible for the day-to-day financial management of the organization. The Board authorizes the Director to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- Under direction of the Board, the Director shall have the authority to purchase or lease products and services to provide the best value and most efficient services possible.
- The normal process for the payment of invoices is set up through the Chester County Library System (CCLS) Business Office. The Director is charged with the responsibility to review and approve all invoices that will generate payment through the CCLS Accounting system. For anything that is payable outside of the CCLS system, the Library Director is authorized to sign checks up to the amount of \$500. Anything greater than \$500.00 requires dual signatures of the Library Director and either the Board President or the Board Treasurer.
- Expenditures that cause total expenses to exceed the approved annual budget shall require prior approval of the Board.
- The Board must authorize all initial contracts for operating the library. The Director shall consult with the Treasurer regarding initial contracts.
- The Board must authorize any contract related to the purpose of generating revenue for the Library during the preliminary planning process. The Fundraising Committee shall work with the Director through this process.
- Any two of the following persons are required to sign all contracts: Library Director, Board President, Board Vice President, Board Treasurer.
- The Director is authorized to manage expenses within the parameters of the over-all approved budget, reporting to the Finance Committee on variances and the reason for these variances.

- The Director shall notify the Board Treasurer for review and approval of the need to withdraw from either the cash reserves or the investment account to cover expenses. The Treasurer reports to the Board of such withdrawals for final approval.

Procedures related to procurement of goods and services

- The Director shall consult with the Treasurer regarding any purchases of goods or services in an amount in excess of \$500.00.
- Small purchases of services and goods in an amount of \$3,500.00 and below shall not require rate or price quotations providing the Director considers the price to be reasonable. Such purchases should be distributed equitably among suppliers to the extent practicable.
- Purchases of services and goods in an amount greater than \$3,500.00 but less than the current bidding threshold established by the PA Department of Labor and Industry require rate or price quotations obtained from a reasonable number of qualified sources, which may be received over the telephone (followed up with written proposals) or by written/electronic means when practical. Such rate or price quotations shall be documented by the Director.
- Purchases of services and goods in an amount that exceeds the PA Department of Labor and Industry's bidding threshold (adjusted annually and advertised in the PA Bulletin) require at least three written price quotations. Or, in lieu of price quotations, a memorandum shall be kept on file showing that fewer than three qualified contractors exist in the market area.

The current bidding threshold can be found at:

<https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol53/53-51/1768.html>

This link shall be verified annually and inserted into the policy and reported to the Finance Committee. NOTE - The current threshold as of January 1, 2025, is \$23,223.98.

Price quotations shall be made in writing and signed by an authorized representative of the firm providing the quotation. Electronic submission with an authorized signature is permitted. Written price and memoranda shall be retained for a period of three years.

In cases of emergency, the quotation requirements need not be followed; but in such cases, the actual emergency shall be declared and stated by resolution of the Board.

Exceptions to the Quotation Policy Include:

1. Where the goods or services to be procured are economically procurable from only one source.
2. Where the services required are for professional skills. Professional services such as an auditor, attorney, architect, or engineer, which involve specialized expertise, use of professional judgement, and/or a high degree of creativity.
3. In emergencies involving public health, public safety, or where immediate expenditure is necessary.
4. Contracts for the maintenance or servicing of equipment that are made with the manufacturers or authorized service agents of that equipment.
5. Where the goods or services are procured from another governmental agency or through Chester County Library System or another library cooperative program in which prices have been previously determined by competitive bidding.
6. Purchases and contracts for the use, purchase, or installation of proprietary software.
7. Contracts which by their nature are not adapted to award by competitive bidding, for example contracts for utility services such as water, light, or heat.

The Director, in consultation with the Treasurer, must document reliance upon any of the above exceptions.

Adopted January 17, 2019
Revised and Adopted November 20, 2024