Mideastern Michigan Library Cooperative

Financial Policy & Procedures

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Introduction

Financial policies and procedures provide a cornerstone to the board's role in directing the fiscal management practices of an organization. Financial procedures are also key to raising the board's comfort level and protecting the fiscal health of the organization. Procedures, including timely financial reports, integrated internal controls, and compliance with federal and state regulations, set the framework for an organization's responsible stewardship and effective financial governance. Effective financial governance means looking at the bigger picture and longer-term sustainability, rather than the smaller daily financial details.

When good record keeping systems are in place, the organization can evaluate the success of its programs, monitor the budget, limit risk, and implement sustainable business practices, providing transparency and accountability to the membership and the general public.

The Mideastern Michigan Library Cooperative (MMLC) annual fiscal year is defined as October 1 through September 30. The Mideastern Michigan Library Cooperative Director and Administrative Specialist are responsible for completing the Cooperative's bookkeeping administration, preparing timely financial reports, developing the annual general fund budget, and assuring compliance with federal and state financial regulations. Electronic QuickBooks Accounting Software is used by Mideastern Michigan Library Cooperative to record income, expenses, and transfer of funds for the organization.

The MMLC Board of Trustees is responsible for general oversight of all financial activities as defined in the MMLC Bylaws, Article VII Administration, Section 1, and in the MMLC Plan of Service, Article Funding, Section 3. The MMLC Director is responsible for oversight of the overall financial activities of the Cooperative as defined in the MMLC Bylaws, MMLC Personnel Policy and the MMLC Plan of Service. The MMLC Administrative Specialist records transactions to the electronic general ledger QuickBooks accounts, completes PayPal transfers and bank deposits, handles invoice payment preparation, payroll preparation and bank statement reconciliation preparation. Budget reports and transaction reports are generated utilizing the electronic general ledger QuickBooks accounting software.

Revenue

The Governmental Accounting Standards Board (GASB) and the State of Michigan Department of Treasury require governmental organizations to report revenue according to the purpose for which they are collected utilizing the State of Michigan Uniform Chart of Accounts.

MMLC General Account

The Mideastern Michigan Library Cooperative budget reflects acknowledgement of the GASB statements and State of Michigan Uniform Chart of Accounts by utilizing the classifications of Cooperative State Aid, Public Library Membership Income, Non-Public Library Membership Income, Services Provided, Sales Income and Interest Income. Mideastern Michigan Library Cooperative receives income annually from the State of Michigan governed State Aid to Public Libraries, membership fees, workshop fees, interest income and miscellaneous other sales and services. The income is deposited to the MMLC checking account at regular intervals.

- State Aid to Cooperatives is governed by the Library of Michigan. The amount to be received is derived from the Cooperative's service population times the per capita rate determined annually by the Library of Michigan and the State of Michigan.
    - The Director is responsible for completing the Annual State Aid report and submitting it electronically to the Library of Michigan.
    - MMLC is registered with the State of Michigan SIGMA Vendor Self Service (VSS) system. MMLC receives direct ACH payment of State Aid to Cooperatives through the SIGMA Vendor system to the General checking account.
- Annual membership fees are set by the MMLC Board and confirmed annually, as defined in the MMLC Plan of Service, Section B, Eligibility. MMLC prepares and sends an electronic invoice for the annual membership fee to each multi-type member and associate member.
- Workshop registration fees are set by the MMLC Director. Registration for workshops are completed through the mmlc.org website, utilizing the MMLC PayPal account. The Administrative Specialist transfers the collected fees from the PayPal account to the MMLC general savings account. Summary reports, in a pdf format, are created from the PayPal account for each transfer. The summary account includes the attendee's name, gross amount paid, PayPal fee, net total, and event details. The Summary report is used to record the gross amount and PayPal fees into the electronic general ledger QuickBooks software. The pdf summary report is filed as an electronic document by the date it is completed, in the annual retention file. The pdf summary report serves as the receipt for audit.
- Mideastern Michigan Library Cooperative currently invests a portion of the general account fund balance in a Certificate of Deposit account or Money Market account. The Certificate of Deposit funds and Money Market funds are included in the Assets report to the MMLC Board. Within the guidelines so established in the MMLC Investment Policy, the Director may from time to time purchase or roll over such certificates or like accounts in the financial institutions which have been designated as depositories of the Board's funds without its prior approval and by his/her sole act; provided that any such transaction shall be promptly reported to the Board, and further provided that the Board shall review and approve or disapprove the same at its meeting next succeeding such transaction. Interest received is recorded in the electronic ledger QuickBooks software under the Interest line item.

16(4) Trust Account

- Mideastern Michigan Library Cooperative 16(4) Trust Account Policy provides governance oversight for the MMLC 16(4) Trust Account.
- Balance Sheet accounts are maintained for each public library member of the Cooperative.
- Public Library members are invoiced by MMLC annually for the 16(4) State Aid funds they receive from the Library of Michigan. Funds are then held in trust for the member.
- Mideastern Michigan Library Cooperative currently invests a portion of the 16(4) trust account fund balance in Certificate of Deposit accounts and Money Market accounts. The Certificate of Deposit funds and Money Market funds are included in the Assets report to the MMLC Board. Within the guidelines so established in the MMLC Investment

Policy, the Director may from time to time purchase or roll over such certificates or like accounts in the financial institutions which have been designated as depositories of the Board's funds without its prior approval and by his/her sole act; provided that any such transaction shall be promptly reported to the Board, and further provided that the Board shall review and approve or disapprove the same at its meeting next succeeding such transaction. Interest received is recognized as Cooperative funds and is recorded in the electronic ledger QuickBooks software under the Interest line item.

Returned Checks

- The Mideastern Michigan Library Cooperative may charge the maker of any check deposited and subsequently returned by Mideastern Michigan Library Cooperative's bank unpaid, a fee of $25.00 in addition to any banking charges. Mideastern Michigan Library Cooperative will invoice the maker for any fee and any additional banking charges. This invoice shall be due and payable upon receipt.

Disbursements

The Generally Accepted Accounting Principles (GAAP) and the State of Michigan Uniform Chart of Accounts require governmental organizations to report expenses in a systematic arrangement according to the purpose for which they are incurred. The Mideastern Michigan Library Cooperative budget reflects acknowledgement of the GAAP rules by utilizing the appropriate Uniform Chart of Accounts account number arrangements.

Payments to employees for payroll and reimbursements; vendors for services or regulatory licenses; equipment purchases; office supplies; honorariums to guest speakers; workshop expenses and other expenses consistent with operation of a business, and grant awards are paid by use of a paper check, Automated Clearing House (ACH), Electronic payment transaction (EPT) or the MMLC credit card.

- Paper Checks are created by the Administrative Specialist utilizing QuickBooks software. Each paper check requires supporting documentation in the form of an invoice or request for disbursement.
    - Procedure:
        - Invoices and requests are sent to the MMLC Director and/or Administrative Specialist.
        - A paper copy of the invoice or request for disbursement is generated.
        - Check(s) for each invoice or request for disbursement are generated by the Administrative Specialist
        - Invoice(s) or requests for disbursement are dated and initialed by MMLC Director
        - Paper checks require the signature of the Director and one Board officer.
        - An electronic version of the Dated and Initialed invoice(s) or request for disbursement are filed by check number, year, and month in the annual Retention File.
        - The check is mailed to the recipient.
    - Occasionally, the Mideastern Michigan Library Cooperative Board of Trustees may authorize payments for specific purposes and projects. When this occurs, the meeting minutes will serve as the supporting documentation.

- The Mideastern Michigan Library Cooperative Bylaws, Plan of Service, Personnel Policy and 16(4) Trust Account Policy shall provide governance where applicable.

- Business Credit Cards will be maintained by the Mideastern Michigan Library Cooperative with reasonable credit limits for the purchase of goods and/or services for the official business of the Cooperative. The cards shall be for use by the Cooperative Director and the Administrative Specialist. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than thirty (30) days of the initial statement date.
  - The Mideastern Michigan Library Cooperative Credit Card Policy shall govern the use of the Business Credit cards. The credit card policy of the Mideastern Michigan Library Cooperative is to facilitate Cooperative purchases for the office, while maintaining accountability. The policy provides a system of internal controls to ensure that the Cooperative complies with all applicable laws.
  - Annually, the Mideastern Michigan Library Cooperative Board of Trustees shall approve a Credit Card Resolution setting forth the credit card limits on credit accounts.
- Automated Clearing House (ACH) and Electronic Payment Transactions (EPT): The Cooperative Director or Electronic Transactions Officer (ETO) shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH & ETO policy. The Cooperative Director or ETO shall submit to the Cooperative Board of Trustees documentation detailing all goods or services purchased, the cost of goods or services, and the date of the payment. This report may be contained in the electronic general ledger QuickBooks software system or in a separate report to the Cooperative Board of Trustees body.
  - The Mideastern Michigan Library Cooperative ACH and EPT Policy shall govern the use of the Automated Clearing House and Electronic Payment transaction. The ACH and EPT policy of the Mideastern Michigan Library Cooperative is to facilitate Cooperative purchases for the office, while maintaining accountability. The policy provides a system of internal controls to ensure that the Cooperative complies with all applicable laws.
- Occasionally, Bids for purchase shall be solicited.
  - <u>Cost Under $5,000</u>
    The Mideastern Michigan Library Cooperative Director (or designee) is authorized to make purchases for all individual items where the cost per item is under $5,000.
  - <u>Cost $5,000 to Under $10,000</u>
    For purchases where the cost per individual item is at least $5,000 but under $10,000 the Mideastern Michigan Library Cooperative Director is authorized to make purchases after obtaining pricing from a minimum of two sources, when available.
  - <u>Cost $10,000 to Under $20,000</u>
    For purchases where the cost per individual item is at least $10,000 but under $20,000, the Mideastern Michigan Library Cooperative Director shall solicit competitive bids and submit the same with a recommendation to the Mideastern Michigan Library Cooperative Board of Trustees. If deemed necessary by the Mideastern Michigan Library Cooperative Director or the Mideastern Michigan

Library Cooperative Board of Trustees, notice of requests for bids may be posted and published in appropriate newspapers or publications and will be published on the Mideastern Michigan Library Cooperative website not less than ten days before the date for receiving bids.

- Cost $20,000 or More
  For purchases where the cost per individual item is $20,000 or more, the Mideastern Michigan Library Cooperative Board shall approve the advertisement for bids and shall specify the method of publication. The Mideastern Michigan Library Cooperative Director shall solicit such bids or use bids developed by other public organizations and submit them with a recommendation to the Mideastern Michigan Library Cooperative Board.
- Award of Bids
  Contracts and purchases shall be awarded to the lowest responsible bidder, unless authorized to the contrary by the Mideastern Michigan Library Cooperative Board. In the event of identical bids, the order shall be awarded to the bidder in the area served by the Mideastern Michigan Library Cooperative, if any. If there are no local bidders or if local bidders submit identical bids, the contract or purchase shall be awarded to one of the tie bidders by drawing lots in public.
- Rejection of Bids
  The Mideastern Michigan Library Cooperative Board reserves the right to reject any or all bids for any reason.
- Professional Services
  No bids shall be required for professional services, but proposals for such will be solicited on a periodic basis.
- Waiver of Requirements
  There may be some items for which there is only one supplier, and therefore it may be impossible to have competitive bids on certain items. In such cases, the requirement for bids may be waived by the Mideastern Michigan Library Cooperative Board.

- Emergency Purchases: In the case of purchases, contracts, or agreements valued up to $25,000, deemed by the Mideastern Michigan Library Cooperative Director to be of an emergency nature, and normally requiring Mideastern Michigan Library Cooperative Board approval, the Mideastern Michigan Library Cooperative Board shall be polled (telephone, email, etc.) prior to action being taken, with formal Mideastern Michigan Library Cooperative Board approval at the next regular or special Cooperative Board meeting.

16(4) Trust Account:

- Mideastern Michigan Library Cooperative 16(4) Trust Account Policy provides governance oversight for the MMLC 16(4) Trust Account.
- The Public Library member director must submit an invoice for approved expenditures to the Cooperative Office for payment from their library's individual portion of the Trust account.

- Paper Checks are created by the Administrative Specialist utilizing QuickBooks software. Each paper check requires supporting documentation in the form of an invoice or request for disbursement.
  - Procedure:
    - Invoices and requests are sent to the MMLC Director and/or Administrative Specialist.
    - A paper copy of the invoice or request for disbursement is generated.
    - Check(s) for each invoice or request for disbursement are generated by the Administrative Specialist
    - Invoice(s) or requests for disbursement are dated and initialed by MMLC Director
    - Paper checks require the signature of the Director and one Board officer.
    - An electronic version of the Dated and Initialed invoice(s) or request for disbursement are filed by check number, year, and month in the annual Retention File.
    - The check is mailed to the recipient.
- Interest received is recognized as Cooperative funds and is recorded in the electronic ledger QuickBooks software under the Interest line item.
- Interest funds are transferred annually from the MMLC 16(4) Trust account to the MMLC General Account by paper check.

Financial Reports

Governmental organizations utilize financial reports for the purpose of providing a snapshot of the organization's financial health at a specific point in time. Mideastern Michigan Library Cooperative Board of Trustees receive a year-to-date financial report produced by the MMLC Administrative Specialist for each scheduled meeting. The Financial Report includes an income and expense statement, with budget-to-actual details. In addition, a year-to-date transaction report and assets report are provided. The assets report includes the current balance of the checking account and the investment accounts for the General Fund and the 16(4) Trust Account.

Bank Statements & Reconciliation

Monthly and quarterly statements are obtained and retained in pdf format, from all Mideastern Michigan Library Cooperative Financial Institutions for all accounts. The Administrative Specialist reviews the bank statement, noting deposits, checks presented for payment and ACH activity. Reconciliation to the electronic general ledger QuickBooks software is completed by a Mideastern Michigan Library Cooperative Board Officer. The pdf bank statements are filed as an electronic document by the year and month, in the annual retention file.

Designation of Financial Repositories

The Mideastern Michigan Library Cooperative Board shall designate, at the September meeting, which financial institutions are authorized to hold the Mideastern Michigan Library Cooperative's funds. All Mideastern Michigan Library Cooperative funds deposited in a financial institution must be insured by the FDIC, the NCUA, by repurchase agreements for

government securities, or in some other manner approved by the Mideastern Michigan Library Cooperative Board.

Financial Institution Signature Cards

A signature card is a document that financial institutions use to authenticate a customer's signature for personal and business bank accounts. Mideastern Michigan Library Cooperative maintains the signatures of the MMLC Board Officers, MMLC Director and MMLC Administrative Specialist on the General Account checking, Payroll checking and 16(4) Trust Account checking accounts. Certificates of Deposit, Money Market accounts and Savings accounts maintain the signature of the MMLC Director and the MMLC Administrative Specialist.

Budget Process

Effective financial planning and budgeting are vital elements of ensuring financial stability and sustainability for an organization. The budget is a planning document used to predict expenses and allocate resources for the organization. It details the costs the organization will incur, and the revenue expected to be received over a set period. Mideastern Michigan Library Cooperative prepares a General Account budget document annually as a method of planning for the upcoming year and implementing the Strategic Plan goals.

Procedure:

- Beginning at the February meeting, the Advisory Council shall review the list of Core Services and Unit Cost Services. A recommendation concerning changes to the Core Services of benefit to full members and Unit Cost Services benefiting all members will be forwarded to the MMLC Board.
- In April, the MMLC Director and Administrative Specialist shall begin the planning process for the next fiscal year by reviewing and discussing service provider requests, projected State Aid revenue and other items affecting the operation of the Cooperative for the upcoming year.
- At the May meeting, the Board shall review the list of Core Services and Unit Cost Services recommended by the Advisory Council. The Board shall consider available funding and approve any changes to the list of Core Services and Unit Cost Services.
- The Administrative Specialist shall prepare a Proposed Budget and Summary for the General Account, using the electronic general ledger in QuickBooks Software, by early June.
- The Proposed Budget shall be shared with members of the Mideastern Michigan Library Cooperative Advisory Council for comment in July.
- The Proposed Budget shall be presented to the MMLC Board for final approval at the September meeting.
- If the Budget includes use of any Unassigned Fund Balance, a separate recommended action shall be made by the MMLC Board recognizing this principal issue at the September meeting.
- As needed, the Administrative Specialist shall prepare a memo to the MMLC Director requesting any changes to the current fiscal year General Fund Final Budget.
- The Proposed Budget Changes shall be presented to the MMLC Board for final approval.

Annual Audit

The Mideastern Michigan Library Cooperative Bylaws, Article VII, Section 2 and the Mideastern Michigan Library Cooperative Plan of Service, Funding Section, A4 defines the Annual Audit process.

The annual audit examines the internal control practices that are systemically used to prevent misuse and misappropriation of assets and to limit fraud risk for the organization. The annual audit is conducted by an independent Auditing firm. The Annual Audit is presented to the Mideastern Michigan Library Cooperative Board by the independent Auditing firm for approval at the January meeting. The independent Auditing firm submits the finalized audit to the State of Michigan Department of Treasury. Mideastern Michigan Library Cooperative submits a copy to the Library of Michigan after acceptance at the January meeting.

The Mideastern Michigan Library Cooperative Director and Administrative Specialist shall provide the independent auditing firm with:

- A back-up copy of the MMLC electronic general ledger QuickBooks General Account and 16(4) Trust Account file
- A copy of all financial records, including bank statements, income receipts, disbursement invoices, payroll records, an equipment inventory report, and any other supporting documentation necessary to complete the annual audit.
- A copy of the minutes of the MMLC Board of Trustees meetings held within the fiscal year.
- A copy of the current year Annual Budget, financial reports approved by the MMLC Board of Trustees, and changes to the Annual Budget approved by the MMLC Board of Trustees.

If the annual financial audit report discloses a deficit or material deficiency, the cooperative library shall submit a corrective action plan for review and approval by the Treasury Department and the Library of Michigan and the Library of Michigan. If a deficit is disclosed, the corrective action plan shall include a deficit elimination plan and proof that the plan was filed with the Department of Treasury, as required by section 21 of 1971 PA 140, MCL 141.9214, to the Auditor and MMLC Board of Trustees.

- The MMLC Director, or assigned person, will work with the MMLC Auditor to comply with a letter of Request for Improvement of Deficiencies and the development of a Corrective Action Plan that will include actionable measures. A corrective action plan (CAP) shall include a timetable for implementation and completion of the corrective actions.
    - The plan shall include a description of the deficit or material deficiency, including gaps in internal controls or actions that led to the deficit.
    - The plan shall include detailed steps outlining how compliance will be achieved and maintained in the future.
    - The plan shall detail who is responsible for implementing the corrective action plan
- The MMLC Board of Trustees will adopt the Corrective Action Plan under the Michigan Open Meeting Act 267, 1976 as revised.
- The Corrective Action Plan shall be filed with the Michigan Department of Treasury and the Library of Michigan.
- The Director, or assigned person, shall be responsible for implementation of the Corrective Action Plan.

The Cooperative will maintain current fidelity bond coverage and file annual verification of coverage with the Library of Michigan.

Dissolution of the Cooperative and Distribution of Assets

A. The Mideastern Michigan Library Cooperative shall be dissolved by a vote of the MMLC Board of Trustees, after all public library members have withdrawn membership or if the statutory population requirements defined by State Aid to Public Libraries Act 89, of 1977, Section 397.556 are not met:

- A cooperative library includes those areas consisting of 1 of the following:
  (a) Two or more counties with a total population of at least 100,000.
  (b) One county plus portions of other counties with a population of at least 100,000.
  (c) One county or portion of the county with a population of at least 400,000.
  (d) Portions of 2 or more counties with a population of at least 350,000.
  (e) Combinations of counties or portions of counties serving a population of at least 50,000, if the region served has a population of 35 or fewer persons per square mile.

1. A formal Dissolution Plan will be developed that will include actionable measures defining how any outstanding debts or liabilities will be paid, the method for final distribution of assets, and establishing the final date for termination of the business entity.
2. The Cooperative Board shall convene a public hearing on the draft plan of distribution.
   i. A notice of the date, time, place and purpose of the public hearing shall be sent to each member library and the Library of Michigan, at least ten days prior to the date of the hearing. Notice of the public hearing shall otherwise comply with applicable provisions of the Michigan Open Meetings Act.
   ii. At the public hearing, interested persons may comment on the draft plan of distribution and the proposed adoption thereof. Written comments shall also be received at or prior to the hearing.
3. Following the hearing, the Cooperative Board may adopt the plan of distribution as originally prepared or with such revisions, additions, or deletions as the Board may approve.
4. The MMLC Board of Trustees will approve an amendment to suspend the Bylaws and Plan of Service, and all other plans and policies of the Cooperative, including applicable dates of termination.
5. The approved amendment along with the adopted Dissolution Plan will be submitted to the State Librarian, Library of Michigan for approval and acknowledgement pursuant to Section 9 of the State Aid to Libraries Act, MCL 397.559.
6. Upon acknowledgment of the submitted amendment and Dissolution Plan, the State Librarian shall notify the Library of Michigan Board of Trustees of the dissolution for the board's discussion and acknowledgment at their next meeting.
7. Upon the formal vote of the Cooperative Board of Trustees to dissolve the entity, the Director or designated person, shall immediately halt incurring new financial obligations and suspend all nonessential spending.

8. The distribution plan shall determine with finality the distribution of all remaining net assets upon dissolution of MMLC. No library, municipality, state or local governmental agency or other party not designated in the plan as a recipient shall have any right to any remaining net asset, irrespective of the basis of any asserted claim.

B. Notice shall be given to all members, staff and vendors of the formal dissolution decision within 10 days of the Board of Trustees meeting.
   1. The organization shall notify all known creditors, vendors, and claimants in writing.
   2. All outstanding debts, liabilities, and obligations must be fully satisfied prior to final asset distribution.
      i. Known claimants will be allotted ninety (90) days to file claims.

C. Within ninety (90) days of the final dissolution date, a final audit will be conducted to confirm all federal and state tax liabilities are satisfied.
   1. Final federal and state employment, sales, and income tax returns must be filed concurrently, alongside Form 163 (Notice of Change or Discontinuance) with the Michigan Department of Treasury, and a letter to the Internal Revenue Service deactivating the EIN.

D. Before the final distribution of assets, the Director, or designated person, shall complete all documentation required under the Dissolution of Charitable Purpose Corporations Act, MCL 4560.251 et seq. as indicated by the Office of the Attorney General, Charitable Trust Section in order to receive required approval of the dissolution from the Attorney General.
   1. The letter should include the full corporate name, corporate tax identification number (EIN) and a copy of the Bylaws, Plan of Service, and Dissolution Plan.
   2. The Library of Michigan Board of Trustees shall acknowledge the dissolution at their next scheduled meeting.
   3. The Michigan Attorney General Department (Charitable Trust Section) shall acknowledge the dissolution.

E. The permanent records of the Cooperative, including but not limited to the electronic archives and a copy of the mmlc.info website, shall be transferred to the Library of Michigan. Once transfer is completed, the website will be terminated.
   1. Permanently terminating a website requires dismantling both its public presence and the underlying technical infrastructure. This process will involve backing up data, deleting server files, canceling hosting, letting the domain expire, and de-indexing the site from search engines.

F. MMLC Digital Media Zone: The Director, or designee, will work with Overdrive to move the MMLC Overdrive Consortia content to another library consortium within the State of Michigan.

G. After all debts, liabilities, and expenses of the dissolution are paid, any remaining assets shall be distributed to the public library membership who were members during the fiscal year of dissolution, on a per capita basis. A signed statement describing the final Dissolution Plan and final distribution of assets shall be retained in the MMLC archives. A copy shall be submitted to member libraries, the Library of Michigan, and the Michigan Department of Treasury if requested.

Fund Balance

Fund balance is an accounting term used to describe the difference between a fund's accumulated revenues minus expenditures and liabilities. Governmental Accounting Standards Board Statement 54 governmental units may report designations of their unreserved fund balances. GASB 54's objective is to enhance the usefulness of fund balance information by clarifying existing governmental fund type definitions and providing clearer fund balance classifications that can be more consistently applied. Although unreserved fund balance is not legally limited to any specific purpose, a governmental unit may designate some unreserved fund balance to express its intention to use available resources in a particular manner. A designation is not legally binding but does convey a governmental unit's plans for using its available resources.

- Committed Fund Balance – Recognizing that the Mideastern Michigan Library Cooperative has annual employee liabilities in the form of accrued employee sick leave and accrued employee vacation leave, the independent auditors recognize the appropriate amount of committed fund balance in the annual audit report.
- Assigned Fund Balance: Recognizing that the Cooperative may take deliberate action to utilize a portion of the fund balance for specific purposes, such as planned distributions to public library members or enhancements to MMLC grant programs, the Budget and Finance committee will annually recommend an expenditure, as needed. This amount shall be reviewed annually, based on the annual proposed budget, and shall be accepted by a formal action of the Mideastern Michigan Library Cooperative Board at the September meeting.
- Unassigned Fund Balance: Recognizing that the Cooperative should maintain a certain level of reserve funds, the Budget and Finance committee will annually by resolution recommends that an amount equal to at least 20 months of budgeted administrative expenses shall be held as an unassigned Fund Balance. This amount shall be reviewed annually, based on the annual proposed budget, and shall be accepted by a formal action of the Mideastern Michigan Library Cooperative Board at the September meeting.

Record Retention

The State of Michigan Department of Technology, Management and Budget Record Retention General Schedule 17 – Public Libraries, defines the parameters Mideastern Michigan Library Cooperative utilizes to determine how long records need to be retained to satisfy administrative, fiscal, legal, and historical requirements, regardless of format.

Each fiscal year, the Administrative Specialist will create a record retention file that includes:

- PDF records of invoices
- PDF records of credit card purchases
- PDF records of ACH and/or electronic payment transaction summaries
- PDF versions of PayPal transaction summaries
- PDF versions of paper checks received
- Financial Reports approved by the MMLC Board
- Proposed Annual Budget
- Budget Revision Requests

Annually, a copy of the financial record retention file will be sent to the Auditor. The original files will be maintained in the Mideastern Michigan Library Cooperative electronic archives. As required by the State of Michigan Department of Technology, Management and Budget Record Retention General Schedule 17 – Public Libraries, the pdf files of the annual State Aid report, annual audit, and annual October – September Financial report shall be maintained for the current year plus ten years. PDF records of invoices, credit card purchases, PayPal transaction summaries and paper checks received shall be maintained for the current year plus seven years. PDF records of monthly financial reports, and bank statements shall be maintained for the current year plus seven years. After the appropriate retention period, the PDF records shall be deleted.

- The Mideastern Michigan Library Cooperative Plan of Service, Funding Section, A5 shall govern the Mideastern Michigan Library Record Retention procedures.

Key Dates

October 1: Beginning of the Fiscal Year
October: Submit documents and QuickBooks back-up to the Auditor for the annual Audit.
November – December: Work with the Auditor to provide additional documentation and answer questions regarding the annual Audit.
January Board meeting:
Approve Final Financial Report from the previous year.
Approve October - December Financial Report
Approve the annual Audit Review
April: Begin budget preparations for the next fiscal year.
May Board meeting:
Approve October - April Financial Report
June: Finalize proposed budget for the next fiscal year
Submit proposed budget for the next fiscal year to the Advisory Council for comment
September Board meeting:
Approve October - August Financial Report
Approve proposed fiscal year end revisions to the current budget
Approve Proposed Budget for the upcoming year
September 30: End of the Fiscal Year

References:

- Financial Accounting Standards Board (FASB) Generally Accepted Accounting Principles (GAAP) https://fasb.org/facts
- Governmental Accounting Standards Board (GASB) https://www.gasb.org/
- Library of Michigan State Aid Guidelines https://www.michigan.gov/libraryofmichigan/libraries/admin/stateaidetc/state-aid
- MMLC ByLaws https://mmlc.info/wp-content/uploads/2022/11/MMLC-Bylaws_2022.pdf
- MMLC Personnel Policy https://mmlc.info/wp-content/uploads/2024/12/Personnel-Manual-2024.pdf
- MMLC Plan of Service https://mmlc.info/wp-content/uploads/2025/01/Plan-of-Service_2025.pdf
- MMLC Strategic Plan

- State of Michigan DTMB Record Retention General Schedule 17 https://www.michigan.gov/-/media/Project/Websites/dtmb/Services/Records-Management/RMS_GS17.PDF?rev=7fdf678c64c54cd69834b6f2b83aa981
- State of Michigan SIGMA Vendor Services https://sigma.michigan.gov/PRDVSS1X1/Advantage4

Addendums

ACH & EPT Policy

The following policy shall govern the use of EPT (electronic payment transactions) and ACH (Automatic Clearing House) arrangements for the Mideastern Michigan Library Cooperative.

1.) Authority to Enter into ACH (Automatic Clearing House) Agreements and EPT Transfer of Public Funds

For purpose of this policy, an "ACH arrangement" means an agreement between the originator of the ACH transaction and the receiver of the ACH transaction. An "ACH transaction" means an electronic payment, debit, or credit transfer processed through an ACH. ACH transactions of the Cooperative will also include automated direct deposits of payroll funds to Cooperative employees.

The Cooperative Director or ETO (Electronic Transactions Officer) may enter into an ACH agreement as provided by Michigan Public Act 738 of 2002. The Cooperative Board of Trustees shall annually adopt a resolution to authorize electronic transactions. Applicable definitions in the act shall apply.

The ETO (Electronic Transactions Officer) shall be the Administrative Specialist for the Mideastern Michigan Library Cooperative.

2.) Responsibility for ACH Agreements

The Cooperative Director or ETO (Electronic Transactions Officer) shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy. The Cooperative Director or ETO shall submit to the Cooperative Board of Trustees documentation detailing all goods or services purchased, the cost of goods or services, and the date of the payment. This report may be contained in the electronic general ledger QuickBooks software system or in a separate report to the Cooperative Board of Trustees body.

3.) Internal Accounting Controls to Monitor Use of ACH & Electronic Payments Transactions (EPT).

A. The Cooperative Director or ETO (Electronic Transactions Officer) shall be responsible for the establishment of ACH agreements.
B. The Cooperative Director shall authorize EPT transfers between checking and savings accounts within one banking institution. The EPT transfers will be recorded in the electronic general ledger QuickBooks software system. A copy of the authorization shall serve as the audit record.
C. All electronic payments, whether by ACH or EPT, must be reported in the financial reports indicating service received, payment date, payee(s), transaction amount and accounts affected.
D. Any invoices received and approved by the Cooperative Director may be paid by ACH or EPT if deemed in the best interest of the Mideastern Michigan Library Cooperative.
E. Procedure for ACH and EPT payments:

1. Electronic copies of invoices will be sent to the Cooperative Director by the Administrative Specialist.
2. Electronic copies of invoices must be approved by the Cooperative Director.
3. A copy of the electronic invoice and the approvals shall serve as the audit record.
4. The electronic payments will be recorded in the electronic general ledger QuickBooks software system.

F. Procedure for Payroll ACH payments:
1. Mideastern Michigan Library Cooperative utilizes the services of a payroll vendor to complete payroll and related services.
2. Details are outlined in the Mideastern Michigan Library Cooperative Personnel Manual, Section IV. Salary Administration, Item B. Payroll.

G. All ACH and EPT transactions shall be reviewed by the MMLC Treasurer, or other Board officer as part of the Financial Institution statement reconciliation process.

H. All records of ACH and EPT transactions shall be retained in accordance with GASB audit policies and current State of Michigan record retention policy requirements.

Reaffirmed: September 2026

Cell Phone & Home Wi-Fi Policy

Preface: The MMLC Director and Administrative Specialist positions require regular communication with members and others by cell phone as well as using their home internet/Wi-Fi service. Providing services and responding to electronic messages and phone calls are a regular part of the process that includes communication during and outside of the regular work-day. The following policy recognizes the need for organizational support of this use of technology.

1. Mideastern Michigan Library Cooperative agrees to reimburse employees up to 50% of the cost of personal cell phone and home internet/Wi-Fi monthly usage charges as recognition that the employee's personal phone and home internet/Wi-Fi is being used in the commission of cooperative business; taxes and fees will be included in calculating reimbursement amounts.

2. The purchase of the cell phone and home internet/Wi-Fi services will be the sole responsibility of the employee as well as any replacement charges due to theft, damage, or loss.

3. Cell phone applications (apps) purchased by the employee are not reimbursable unless required to accomplish a job-related duty.

4. An annual review of the employee's cell phone and the use of their home internet/Wi-Fi for work-related use will be conducted and adjustments to reimbursement will be made accordingly.

5. Cell phone and home internet/Wi-Fi reimbursements may be cancelled if the services are no longer needed for cooperative work or if cooperative finances dictate that the expense is not deemed affordable.

6. Reimbursement will be paid in a quarterly payment upon the submission of the employee's monthly statements of record.

7. Mideastern Michigan Library Cooperative shall be held harmless in the event that the employee commits an unlawful act using their personal cell phone or using their home/Wi-Fi internet.

Reaffirmed: September 2026

MMLC Credit Card Policy

The purpose of the credit card policy of the Mideastern Michigan Library Cooperative is to facilitate Cooperative purchases for the office, while maintaining accountability. The policy provides a system of internal controls to ensure that the Cooperative complies with all applicable laws.

1. The Director will be responsible for the issuance, account monitoring, retrieval and compliance oversight with the credit card policy. A duplicate card may be issued to another employee, as approved by the Director.
2. The credit card may be used by the Director, or a Cooperative employee designated by the Director, for the official business of the Mideastern Michigan Library Cooperative. Documentation detailing purchases must accompany the bill when submitted for payment. Use of the credit card for provisional personal purchases is prohibited without prior approval by a Board Officer or the Director, as appropriate.
3. The Employee to whom the credit card is issued is responsible for the protection of the credit card and shall immediately notify the financial institution issuing the card if the card is lost, stolen or otherwise compromised.
4. The balance due on the credit card account shall be paid within 30 days of the statement date. Mideastern Michigan Library Cooperative accepts full responsibility for the debt incurred on the credit card. The total authorized credit limit for the credit card issued to the Cooperative shall not exceed the amounts authorized annually at the Board's September meeting.
5. Any benefits derived from the use of the credit cards shall be the property of the Mideastern Michigan Library Cooperative.
6. The Mideastern Michigan Library Cooperative will use disciplinary measures consistent with current law for unauthorized use.
7. The Director must immediately surrender the credit card upon leaving the employ of the Cooperative. Any employee of the Cooperative in the possession of a duplicate card shall surrender the card upon leaving the employ of the Cooperative.

Reaffirmed September 2026

MMLC Investment Policy

1.0 Statement of Purpose

It is the policy of the Mideastern Michigan Library Cooperative (MMLC) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds.

2.0 Scope of Policy

This investment policy applies to all transactions involving the financial assets and related activity of the Mideastern Michigan Library Cooperative (MMLC). Mideastern Michigan Library Cooperative's (MMLC) funds are accounted for in the annual financial report and include the following funds:

- General Fund
- Investment Funds
- Restricted Funds
- Designated Funds
- Trust Funds
- Any new fund created by the governing body, unless specifically exempted by the governing body.

3.0 Investment Objectives

Funds of the Mideastern Michigan Library Cooperative (MMLC) will be invested in accordance with Michigan Public Act 20 of Public Acts of 1943, as amended, and in accordance with the following objectives in order of priority.

1. Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
2. Diversification - The investments shall be diversified by specific maturity dates, individual financial institution(s) or a specific class of securities in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
3. Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.
4. Return on Investment - The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow characteristics of the portfolio.

4.0 Delegation of Authority

Authority to manage the investment program is derived from state law, Michigan Public Act 89 of 1977, Michigan Compiled Laws 397.558 (2). Management responsibility for the investment program is hereby delegated to the Mideastern Michigan Library Cooperative Board and the Mideastern Michigan Library Cooperative Director who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an

investment transaction except as provided under the terms of this policy and the procedures established by the Mideastern Michigan Library Cooperative Board and the Mideastern Michigan Library Cooperative Director. The Mideastern Michigan Library Cooperative Board and Mideastern Michigan Library Cooperative Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

5.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Mideastern Michigan Library Cooperative Board, any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial / investment positions that could be related to the performance of the (entity), particularly with regard to the time of purchases and sales.

6.0 Authorized Instruments

In accordance with Public Act 20 of the Public Acts of 1943, as amended, the surplus funds of the Mideastern Michigan Library Cooperative (MMLC) may be invested as follows:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, money market accounts, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state of the United States.
3. Commercial paper rated at the time of purchase within the highest classification established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments listed in subdivision (a) above. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Mideastern Michigan Library Cooperative (MMLC) has negotiated a Master Repurchase Agreement. Repurchase Agreements must be signed with the bank or dealer and must contain provisions comparable to those outlined in the Public Security Association's model Master Repurchase Agreement.
5. Bankers' acceptances of United States banks.
6. Mutual funds registered under the investment company act of 1940, maintain a $1.00 per share net asset value, and with authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
7. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118

7.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered by the Mideastern Michigan Library Cooperative (MMLC) shall be cash (or delivery vs. payment) basis. Securities may be held by a third-party custodian designated by the treasurer and evidenced by safekeeping receipts as determined by the investment officer.

8.0 Standard of Prudence
Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

9.0 Statement of Ethics
The Mideastern Michigan Library Cooperative Director, Mideastern Michigan Library Cooperative Board, and any other Mideastern Michigan Library Cooperative staff involved in the investment of funds shall refrain from personal business activity that could conflict with the proper execution and management of Lakeland Library Cooperative investments or that could impair their ability to make impartial investment decisions.

10.0 Investment Activity Reports
Within 120 days of the end of the fiscal year, the Director shall prepare an annual written report to the governing body concerning the investment of funds.

11.0 Effective Date
This policy shall become effective on the day following adoption by the Mideastern Michigan Library Cooperative (MMLC) Board of Trustees.

Reaffirmed September 2026

MMLC Travel Expense Policy

The purpose of the Travel Expense Policy of the Mideastern Michigan Library Cooperative is to maintain accountability for travel expenses incurred by the Director and staff in conducting official business for the Cooperative. The policy provides a system of internal controls to ensure that the Cooperative complies with all applicable laws.

The travel expenses of the Director as allocated in the budget shall be subject to approval by an Officer of the Board. Travel expenses for staff members allocated in the budget shall be subject to approval of the Director.

Travel expenses may include:

- Mileage reimbursement while using a personal vehicle;
- Registration fees to attend workshops, conferences and other professional development activities;
- Air and ground transportation costs
- Lodging costs
- Parking fees
- Meals

Allowable mileage reimbursement expenses while using a personal vehicle include:

- Travel to member library locations while conducting cooperative business;
- Travel to attend workshops, conferences, and other professional development activities;
- Travel to attend meetings with other organizations
- Travel to conduct banking functions

- Travel to retrieve mail from the MMLC U.S. Postal box
- Other travel as necessary to conduct business for MMLC.

The mileage reimbursement rate shall be that of the federal rate per mile. Changes in the federal mileage reimbursement rate shall have immediate effect.

Reaffirmed: September 2026

MMLC Trust Account Policy

The Board of the Mideastern Michigan Library Cooperative establishes the Section 16(4) State Aid Trust Policy to provide a system of internal controls to ensure that the Cooperative complies with all applicable laws.

1. Public Library Members Section 16(4) state aid shall be remitted in full to the Cooperative upon invoicing. The invoicing shall be based upon statements provided by the Library of Michigan.
2. Certain services shall be chosen as unit cost services by any two or more public library members, and paid for with Section 16(4) state aid, or from the local member's funds. Only full public library members will set the standards and evaluate services in this area. (See the MMLC Plan of Service, Appendixes A & B) Core services beyond the basic level supported by available funding may be purchased by any member library as a unit cost service. Costs for all services must be reviewed annually. Members shall be invoiced for unit cost services, as established during the annual Budget process. The member library director, or their appointee, shall give written approval for payment of the invoice. All public library members not purchasing unit cost services shall be required to pay a flat membership fee with the amount determined annually during the annual Budget process.
3. Unencumbered Section 16(4) state aid funds may be utilized during the fiscal year collected to augment library services. Examples include books, audio visual media, periodicals, electronic resources (databases), ILL expenses, the purchase of additional equipment or maintenance of existing equipment, in-service trainings, workshops sponsored by MMLC, or other library-related organizations. Invoices shall be approved for payment by the member library director and sent to the Cooperative Office for payment.
4. Restricted Account unencumbered Section 16(4) state aid funds may be utilized after the close of the fiscal year collected, and after receipt of the initial payment of the next fiscal year state aid, at the member library director's discretion.
    a. A member may choose to leave the unencumbered funds in the Trust Account, or
    b. Request a check for the entire eligible balance be returned to their library.

    If a member library chooses to leave the unencumbered funds in the Trust Account, the balance will be transferred into a Revolving Account.
5. Funds distributed to the Restricted Account by the Mideastern Michigan Library Cooperative Board, such as Fund Balance allocations, are done so with certain restrictions. All expenditures of these monies will be subject to the approved restrictions. Any of these special distributions not expended by fiscal year end are not eligible for transfer to a member library or to the Revolving Account.

6. Balance sheet accounts shall be maintained for all accounts. A combined balance sheet shall be reviewed by the MMLC Board at regularly scheduled meetings. Individual account balance sheets shall be produced and sent to the member library director for review, as requested.
7. It is the policy of the Mideastern Michigan Library Cooperative (MMLC) to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all state statutes and local ordinances governing the investment of public funds. Interest earned from the investment of the Trust Account funds shall be recognized as Cooperative funds to be used to support the core services of the Cooperative.
8. An annual audit shall be completed by an outside auditing firm. The Cooperative Board shall review and accept the completed audit. A copy of the audit shall be sent to the Library of Michigan and the Michigan Department of Treasury.

Reaffirmed: September 2026

MMLC Workshop and Event Attendance Policy

Mideastern Michigan Library Cooperative is committed to hosting events that are beneficial and free from discrimination to all attendees. Any public space where other people are present holds an inherent risk of exposure to COVID-19 and other communicable diseases. By attending this event, attendees agree to voluntarily assume all risk related to exposure and agree to not hold Mideastern Michigan Library Cooperative (MMLC), or any of their affiliates including partners and sponsors, directors, officers, employees, agents, contractors, volunteers, or sponsored venues, liable for illness. Attendees will be encouraged to take necessary precautions while at the event as recommended at that time by federal, state and local health authorities. Attendees agree to not attend any MMLC event if they feel ill or had recent exposure to a COVID-19 case, or other communicable diseases.

Registrants are encouraged to use caution when registering for events. It is the policy of Mideastern Michigan Library Cooperative to offer no refunds once the online registration process is complete, except as listed below.

1. If a registrant is no longer able to attend an event, they may transfer their registration to another person. To transfer a registration to another person, the registrant must contact Mideastern Michigan Library Cooperative via email detailing the new registrant's name and contact information. Mideastern Michigan Library Cooperative will respond by email to the original registrant, and the new registrant, confirming the change.
2. Should circumstances arise that result in the postponement of an event, registrants will have the option to either receive a full refund or transfer registration to the same event at the new, future date.
3. Mideastern Michigan Library Cooperative reserves the right to cancel a workshop or event due to low enrollment, extreme weather, natural disasters, or other circumstances which would make the event non-viable. If MMLC cancels an event, registrants will be notified at least 24 hours before the event and will be offered a full refund.

4. In the event of extenuating circumstances, such as a medical emergency, and where sufficient funds make it possible to issue a refund, a contact person for the event will be listed so that registrants have a person to contact about their situation. Should funds for the event already be encumbered, a refund may not be possible. A refund of the registration fee for extenuating circumstances is at the discretion of the MMLC Director.
5. Refunds will not be available for registrants who choose not to attend an event.

Refund Process
Refunds for workshops and events shall be accomplished through Mideastern Michigan Library Cooperative's online payment portal. Attendees will receive an email confirming the cancellation of their attendance.

A record of any workshop or event refunds shall be included in the annual Retention file.

Reaffirmed: September 2026

Segregation of Duties and Internal Controls

The Mideastern Michigan Library Cooperative Board shall be responsible for adopting adequate policies to ensure the proper authorization of transactions; the appropriate segregation of duties; the proper recording of transactions and events; and adequate safeguards regarding access to and use of assets and records.

The Mideastern Michigan Library Cooperative Director shall be responsible for administering adequate procedures to ensure the proper authorization of transactions; the appropriate segregation of duties; the proper recording of transactions and events; and adequate safeguards regarding access to and use of assets and records.

Section 1: Approval & Oversight Functions
These are the functions that the Board handles or delegates to several others to ensure that public funds are being managed according to rules, regulations, and Board motions.

a) Formation of a Budget & Finance Committee to ensure policy compliance and oversight shall take place annually. The Board Treasurer shall be the Chair of this committee.
b) Review of financial reports summarizing all investment and financial transactions shall take place at each regular Board meeting. The Board shall annually designate which financial institutions are authorized to hold the Cooperative's funds. The Director (or delegate) shall ascertain the best interest rate for investments. The Director is required to give a full report to the Board on any and all investments as they occur. Board members shall have an opportunity to comment and make suggested revisions to the monthly financial reports.
c) Periodic review and revision of financial and investment policies shall be a regular activity of the Board.
d) Board By-laws shall be reviewed and revised periodically to ensure compliance with all rules, regulations, and Board motions.

e) Internal and external audits shall be conducted. The Budget & Finance committee shall have the responsibility and authority to conduct internal audits at their discretion. The Board By-laws require an annual audit by an independent firm.
f) All disbursements shall be made according to Board authorization. Two signatures shall be required on all checks issued by the Cooperative. One signature shall be the Director's, the second signature shall be that of a Board officer (Treasurer, Chair, Vice-Chair). Signature cards shall be signed as changes to the Board occur. The Director (or designee) is authorized to make all purchases. Prior approval of the Board is required for the purchase of items exceeding $5,000, unless pre-approved by the Board as part of the regular budget process. Documentation of all expenditures, such as an invoice or voucher, shall be available to check signers for all disbursements.
g) The Mideastern Michigan Library Cooperative Director shall be responsible for verifying compliance with all investment and financial policies.

Section 2 Accounting Functions

a) Preparation of vouchers and documentation. The Director shall approve all vouchers and invoices. All third-party reimbursement invoices shall be prepared by the third party and shall be on their legal letterhead.
b) Receiving cash and checks. The Director (or designee) shall receive cash and checks, make all deposits, and create an electronic pdf record of all such transactions. The Treasurer (or Board designee) shall review all deposit documentation on a monthly basis as part of the reconciliation process.
c) Purchase of goods and services. The Director (or designee) shall purchase all goods and services. All receipts and proof of purchase shall be attached to the invoice.

Section 3 Custodial Functions

a) Opening of the mail shall be done by the Director (or designee). Upon receipt, all checks shall be immediately endorsed "For Deposit Only". Deposits shall be made in a timely manner and recorded to the journal/ledger/ automated system.
b) Handling of cash and assets. The Director is responsible for handling all cash and assets of the Cooperative and shall comply with the investment policy and according to rules, regulations, and Board motion.
c) Recording of transactions. The Administrative Specialist shall be responsible for recording all transactions to the journal/ledger/automated system. These transactions shall be subject to review by the Finance Committee and the Board on a regular basis.
d) Deposit of daily receipts. The Director (or designee) shall receive cash and checks, make all deposits and create a photocopy record of all such transactions. The Treasurer (or Board designee) shall review all deposit documentation on a regular basis as part of the reconciliation process.
e) The Mideastern Michigan Library Cooperative Director or a Board Officer shall approve all vouchers and invoices. All vouchers and invoices shall be appropriately documented.
f) Two signatures shall be required on all paper checks issued by the Mideastern Michigan Library Cooperative, one of which shall be that of the Mideastern Michigan Library

Cooperative Director; the other shall be an officer of the Mideastern Michigan Library Cooperative Board. In the absence of a Director, two officers of the Mideastern Michigan Library Cooperative Board shall be signatories.

g) Mailing of endorsed checks. The Director (or designee) shall be responsible for mailing all signed checks in a timely manner.
h) When determined to be in the Mideastern Michigan Library Cooperative's best
i) interest, disbursements may be made via ACH or EPT. All such transactions shall fully comply with applicable Mideastern Michigan Library Cooperative Board Policies.
j) Responsibility for the Electronic General Ledger QuickBooks software System. The Administrative Specialist shall be responsible for the operation of the electronic general ledger QuickBooks software system, ensuring that all access is restricted. Only authorized persons shall have access to the financial files. Arrangements shall be made to ensure against physical damage to financial data.

Reaffirmed: September 2026