



# Fiscal Responsibility

Last modified **OCTOBER 18 2023**

It is a fundamental principle of the Rowan County Public Library (“the Library”) that public office should not be used for personal gain, and that members of the Library Board of Trustees and the Executive Director are to remain objective in their duties and responsive to the needs of the public whom they serve. Accordingly, Board members and the Executive Director must maintain the highest commitment to their responsibilities as stewards of the Library.

## **DISTRICT FUNDS**

The 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 such monies have ever been deposited into a Library account. Any monies 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 Executive Director nor any Board member shall use or permit the use of Library funds, vehicles, equipment, telephones, materials, or property for their own or another’s personal benefit and/or profit. Likewise, neither shall the Executive Director nor any Board member ask or require a Library employee to perform services for the personal benefit and/or profit of the Executive Director or a Board member. The Executive Director and all Board members shall safeguard Library property, equipment, monies, and assets against unauthorized use and/or removal, as well as from loss due to criminal act(s) and/or breach(es) of trust.

## **SEGREGATION OF FISCAL DUTIES AND INTERNAL CONTROLS**

No one person should control or perform all key aspects of a transaction or financial event on behalf of the Library. Segregation of duties is an important internal control practice that helps to detect errors in a timely manner and which deters impropriety. Internal controls instituted by the Library will assist the Board in maintaining adequate fiscal oversight regarding the expenditure of funds.



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Therefore, the 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's Recommendations for Public and Nonprofit Boards. The adequacy of these guidelines and the Library's compliance efforts should be reviewed after each audit and as otherwise needed. Procedures shall be modified to correct any deficiencies discovered during regular audits or at any other time.

The referenced KAPA document may be obtained from the KAPA website at:

<https://www.auditor.ky.gov/cpatools/Documents/2010BoardRecommendationsLetter3-4-10.pdf>

## **POLICY ENFORCEMENT**

All Library staff, the Executive Director, and members of the Board are bound by this policy.

Any alleged violation of this policy by Library employees shall be investigated by the Executive Director. If actual violation is determined, the Executive Director shall impose sanction appropriate to the degree of violation, up to and including termination. Any staff member impacted by an action performed under this policy may appeal to the Board, as allowed by other applicable policies.

Any alleged violation of this policy by the Executive 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 of this policy by a Board member shall be investigated by the remaining members of the Board. If actual violation is determined, the Board shall impose sanction appropriate to the degree of violation, up to and including a request for the resignation of the Board member found to be in violation. At the option of the Board, and in accordance with KRS 65.007, the Rowan County Fiscal Court may be petitioned to initiate removal proceedings for any Board member found to be in violation.

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