



Internal Controls Manual

Adopted by the Board of Trustees on February 15, 2018

Revised April 18, 2019

Bank Account Suspended by Resolution 2019-3 on May 16, 2019

Internal Controls

The following policies and procedures will be followed in handling all public monies received by the library, in accordance with applicable sections of the Revised Code of Washington (RCW).

A. Cash Register/Drawer/Box

The cash receptacle shall be used to accurately store monies paid to the library for copies/prints, damaged/lost items, library cards, and other fees or miscellaneous donations.

- Any monies taken in shall be recorded on a reconciliation sheet at day's end. Reconciliation sheets shall be reconciled, and monies deposited weekly in the bank account.
- The weekly deposit is reconciled to the daily reports and verified by an additional library staff member.
- A weekly electronic transfer will be made from the bank account to the Treasury.
- A monthly reconciliation sheet is also used.
- The daily register balance is \$50.00 in small denominations and coins.
- The change balance is \$50.00.
- The cash receptacle shall be locked in a secure location during closed hours.
- The Library Director is considered the custodian of the cash drawer.

C. Bank Account

Authorized staff will make weekly deposits of cash and checks received directly to the Skagit Treasurer's Office.

D. Credit Card

The purpose of the credit card policy of the Central Skagit Partial Rural Library District is to facilitate the Director's purchases for the library while maintaining accountability. The policy provides a system of internal controls to ensure that the library complies with all applicable laws. The card may be used to purchase goods and/or services, including but not limited to meals and food, lodging, gasoline, transportation charges, seminar or conference fees, supplies, and books and/or materials. The credit card limit will be \$10,000. The credit card will be issued to the Director. The following criteria apply:

- Need for the card has been determined by the Director.
- Funding is available to support reimbursement of purchased items.

- Policies and procedures governing use of the card are followed.
- All credit card expenditure requests by the staff require verbal or written preauthorization from the Director.
- Cash advances are prohibited.
- Credit card may not be used to purchase alcoholic beverages.
- Credit card is to be used solely for business related expenditures.
- Credit card receipts must be kept by the Director and attached to voucher with Board receiving a monthly report of credit card purchases.
- Credit cards may not be used for personal expenditures.

Misuse of any credit card will be subject to discipline up to and including termination of employment.

E. Purchasing Policy

The purpose of this document is to establish policy for purchasing and contracting for equipment, professional services, materials and supplies for Central Skagit Rural Partial County Library District (CSRPLD)

1. Basic Goals

To comply with legal requirements of public purchasing;

To assure vendors that impartial and equal treatment will be afforded to all who wish to do business with CSLD;

To receive maximum value for each public dollar spent;

To provide CSLD with goods and services at the time and place needed and of the required standard, quality and quantity;

To purchase only goods and services for which funds have been approved through the budget process.

2. Full and Open Competition

It will be the practice of CSRPLD to obtain products and services with the maximum quality at the most equitable available cost. CSRPLD's system of purchasing and procurement shall encourage full and open competition on all purchases and sales as required by Washington law. Even when not required by Washington law, the operation of CSRPLD's purchasing and procurement system shall be based upon competitive bidding whenever possible and merited by good purchasing practices.

3. Preferences and Exclusions

The Central Skagit Partial Rural County Library District may, at times, need to purchase goods or services under circumstances that do not clearly fit the patterns of regular public

procurement, and for which normal competitive procurement procedures do not apply. These include:

- **Collection Materials** - Purchase of collection related materials, including but not limited to books, periodicals, digital materials, DVDs, CDs, and bibliographic and database services, are excluded from these policies.
- **Insurance and Bonds** - Insurance and bonds are exempt from these policies; although, the Director may call for bids on these items if determined in the best interest of CSLD.
- **Sole Source** - If there is only one vendor capable of providing a particular good or service, then the competitive procurement procedures may be waived by the Director. This may include required repair and maintenance from a manufacturer or consulting services specific to provision of library services.
- **Inter-local Cooperative Agreements** - RCW 39.34 the Inter-local Cooperation Act, authorizes one public agency to perform any function which each agency is authorized by law to perform. CSRPLD may use the authority granted in RCW 39.34.030 to purchase through the State as well as other governmental agencies with which CSLD has entered a cooperative agreement.
- **Professional Services** - Normal competitive procurement procedures cannot be utilized in securing professional services such as attorneys, accountants, and other professional people, who in keeping with the standards of their discipline will not enter a complete bidding process. The Director is authorized and encouraged, however, to request proposal or requests for qualifications from capable professionals within a required discipline whenever time and/or circumstances warrant.
- **Professional Services**—musicians or entertainers. Negotiation for these services are individual based on needs and requirements of CSRPLD's programming intents. Hiring requirements will follow RCW 50.04.148.
- **Architectural and Engineering Services** - The Revised Code of Washington (RCW) section 39.80 requires governmental agencies to publicly announce requirements for architectural and engineering services, and negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required, and at fair and reasonable prices.
- **Emergency Purchases** - The procurement guidelines outlined in this policy may be waived under emergency conditions when unforeseen circumstances beyond the control of the Library (a) present a real, immediate threat to the proper performance of essential functions or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. The Director or Board Chair in the Director's absence, has authority to declare emergencies.
- **Local Area Buying** - It is the desire of the Central Skagit Rural Partial County Library District to purchase from Skagit County vendors whenever possible. CSRPLD has a responsibility to the public, however, to insure that the maximum value is obtained for each public dollar spent.

F. PURCHASE LIMITS - General Purchases or Services and Service Contracts

1. Purchases and Services from \$0.00 to \$9,999.99

The purchase of materials, equipment, supplies or services where each individual item has a cost up to \$9,999.00 including taxes and freight, does not require a formal bid process or quotes. Although documentation is not required, it is recommended that quotations be obtained to purchase the item at the lowest cost to CSRPCLD while maintain high quality.

2. Purchases and Services from \$10,000 to \$49,999.99

The purchase of materials, equipment, supplies or services where each individual item has a cost of \$10,000 but less than \$49,999.99 including taxes and freight shall be made after soliciting at least three quotes by telephone, writing, email or fax.

3. Purchases and Services of \$50,000 or more

The purchase of materials, equipment, supplies or services where each individual item has a cost of \$50,000 or more including taxes and freight shall require a competitive bid process.

4. Commercial Services

Contracts for commercial services (such as maintenance and janitorial) may be renewed for up to four years beyond the initial term before new price quotations or bids are solicited.

5. Real Estate Purchase

Real estate purchases and sales may be privately negotiated, and are then subject to approval of the Board of Trustees following the recommendation of the Director. Efforts to ascertain the property price may include appraisal, consultation with industry experts, and known effects of the local economy.

6. Lease

Real estate leases may be privately negotiated subject to approval of the Board of Trustees following the recommendation of the Director.