

# MGT-3: Financial Policy

Adopted: 8/21/2014; Last Revised: 1/25/2024

## Policy Statement

As a Michigan township library<sup>1</sup> the Orion Township Public Library is required to adopt financial regulations and to comply with state statutes<sup>2</sup>.

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## Regulations

1. The library board annually holds a public hearing and approves a budget.
2. An annual, independent, outside audit is conducted.
3. The library board has a written investment policy.
4. The finance specialist will prepare a monthly report for the board covering cash flow, investment report and a list of checks issued.
5. The library board has written financial procedures governing the receipt of checks, frequency of bank deposits, petty cash levels, and disposition of uncollectible patron accounts.
6. Two signatures are required on all library checks – library director, board treasurer, and/or board president.
7. Levels of purchasing authority are as follows:

Purchase Type	Spending Limit	Requirements	Approval
Level 1	\$0 - \$1,500	Simple comparison shopping to ensure a fair price is paid for materials and services.	Department Head
Level 2	\$1,501 - \$5,000	Simple comparison shopping to ensure a fair price is paid for materials and services.	Library Director
Level 3	\$5,001 - \$10,000	Written quotes are to be acquired from a minimum of three vendors.	Library Director
Level 4	\$10,001 - \$75,000	Written quotes to be acquired from a minimum of three vendors.	Library Board
Level 5	Over \$75,000	Written Request for Proposals be published for open bidding by all interested parties. Sealed bids must be submitted to be opened in public.	Library Board

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<sup>1</sup> P.A. 164 of 1877 *et seq.* City, Village and Township Libraries Act

<sup>2</sup> P.A. 2 of 1968 *et seq.* Michigan Uniform Budgeting and Accounting Act, and P.A. 34 of 2001 *et seq.* the Revised Municipal Finance Act

8. Long-term contracts – The board recognizes that there may be financial opportunities in securing long-term contract for certain materials and/or services. However, it also recognizes that contract terms that are excessive in length may reduce opportunities to reduce costs. Contract length is to be considered in all purchases, where appropriate. Contracts may not exceed three years without specific board approval.
9. Contracts may be sent to the library’s attorney for review at the board’s discretion.
10. The library director shall authorize specific employees to use the library’s debit card for the ordering of materials, supplies, services and other library expenditures as outlined in mgt-3a: Debit Card Policy.
11. A patron may contest a library policy or any portion of a library policy by following the procedures as outlined in MGT-15: Appeals Process Policy.

<sup>1</sup> P.A. 164 of 1877 *et seq.* City, Village and Township Libraries Act

<sup>1</sup> P.A. 2 of 1968 *et seq.* Michigan Uniform Budgeting and Accounting Act, and P.A. 34 of 2001 *et seq.* the Revised Municipal Finance Act