

Vandergrift Public Library

Cash Management Procedure

Adoption Date: 07/08/2026

Procedure Number: 004

Purpose of Procedure: The Cash Management Procedure of Vandergrift Public Library sets clear guidelines and responsibilities for managing money. This procedure helps ensure that the library's finances are managed safely and transparently, and covers the following:

- **Receiving Goods and Services:** How the library handles goods and services received from vendors.
- **Validating Expenses:** Ensuring that all spending of money is legitimate.
- **Payment Process:** The steps for paying for goods and services.
- **Tracking Spending:** Keeping a record of all expenditures.
- **Tracking Payments:** Monitoring payments made to vendors.
- **Federal Funds:** How receiving government money affects cash management.
- **Petty Cash:** Managing small cash amounts for minor expenses.
- **Cash Equivalents:** Handling other forms of cash-like assets.
- **Donations:** Receiving and keeping track of donations.
- **Annual Audit:** A yearly review of financial statements and procedures to ensure everything is in order.

Scope of Procedure: The procedure applies to all employees and board of trustees of Vandergrift Public Library.

Definitions:

- **Audit/Financial Review:** A professional check of the library's money records to make sure everything is correct, and correct procedures are followed.
- **Cash:** Physical money like bills and coins, as well as checks and credit card payments made right away.
- **Cash Equivalents:** Short-term investments that can be easily turned into cash when needed.
- **Donation:** A gift given to the library to support its work.
- **Expenditure:** Any money spent by the library.

- **Federal Funds:** Money the library gets from the federal government through grants (most commonly from the Office of Commonwealth Libraries in the Grants to States Program).
- **Goods:** Physical items the library buys, like books or supplies.
- **Petty Cash:** A small amount of cash kept for minor purchases or to give change.
- **Services:** Work or services provided by someone for payment, like repairs, programming, or consulting.

Staff and Board Trustee Responsibilities:

1. **Know the Procedure:** Familiarize yourself with the Cash Management Procedure to understand how money is handled.
2. **Check Expenses:** Make sure that all invoices or bills for goods and services are correct and match what was spent.
3. **Submit Invoices:** Hand in all invoices or bills to the finance department for processing payments.
4. **Keep Records:** Follow the rules for keeping financial documents to ensure everything is organized for audits.
5. **Follow Other Policies:** Make sure to also follow the Travel Policy, Bid and Procurement Procedure, and Document Retention Policy along with the Cash Management Procedure.

Staff Procedures:

1. **Receiving Goods or Services:**
 - a. **Requesting the Invoice:** The individual responsible for the purchase should ask for and receive the invoice.
 - b. **Invoice Details:** The invoice should have the following information:
 - i. The vendor's name and address for payments.
 - ii. An invoice number to identify it.
 - iii. The date when the goods or services were received.
 - iv. The amount charged for the goods or services provided.
2. **Checking Expenses:**
 - a. **Expense Verification:** Every expense needs to be checked to ensure it matches the goods received or the services provided.
 - b. **Comparison Process:** This means comparing the goods received to packing slips, request forms, price quotes, and invoices to confirm they all agree.
 - c. **Service Confirmation:** The services received should closely match what was listed in any bids, quotes, or contracts.
3. **Payment Process:**
 - a. **Invoice Payment Timing:** An invoice cannot be paid until the related goods or services are received. Payments should be made by the invoice's due date.

- b. **Personal Purchases:** If you buy something for the library with your own personal credit card, fill out an Expense Reimbursement Form and include all necessary documents. Follow the Travel Policy for details on what to include.
 - c. **Transaction Involvement:** Every financial transaction must involve multiple individuals. The person who approves the invoice for payment should not be the same person who processes the payment.
 - d. **Vendor Records:** The Vandergrift Public Library keeps a complete list of all vendors on file, including their W-9 tax information. If there are new vendors or any changes, send that information to the finance staff to update.
 - e. **Required Documents for Payment:** Certain documents are needed to issue a payment of an invoice, including the requisition form, the original invoice, packing slips, and quotes.
 - f. **Check Authorization:** If the payment amount is over \$1,000, two authorized signers must sign the check. The library director and board of trustees determine, approve, and remove authorized signers, and these actions are recorded in board meeting minutes.
4. **Tracking Expenditures:**
- a. **Record Keeping:** Finance staff keep detailed records of all income and expenses.
 - b. **Monthly Reconciliation:** Each month, finance staff check the bank statements to make sure that all income and expenses are recorded correctly and match the library's financial records.
 - c. **Account Security:** To access bank accounts, secure passwords and multi-factor authentication are used for added safety.
5. **Tracking Payments and Donations:**
- a. **Documenting Cash Receipts:** Whenever cash is received, keep a record that includes the date, amount and who received it. Cash can be recorded in the library's ILS, the cash register, or the mail. Follow the right procedures based on how the cash was received, and what the cash was received for.
 - b. **Access to Cash:** Only specific employees can access cash, as determined by the library director and board of trustees.
 - c. **Transaction Documentation:** Keep records of all transactions, including any receipts and refunds.
 - d. **Involvement of Staff:** Multiple staff members should be involved in any financial transaction. When cash is passed from one person to another in the process of preparing cash for bank deposit, record the amount, date, and get signatures from both staff members.
 - e. **Storing Cash:**
 - i. All cash should be kept in the cash drawer or securely locked in the library cabinet.
 - ii. A daily cash count sheet should be filled out, noting:
 - 1. Who took the cash from the cash drawer & date & time.

2. Who returned cash to the locked cabinet, along with the date and time.
- f. **End of Day Cash Check:**
 - i. The staff member managing closing should count the cash in the cash drawer at the end of the day and sign the cash count sheet to confirm the amount is correct.
 - ii. The direct should review all documents monthly.
 - g. **Bank Deposits:**
 - i. The finance staff member preparing the bank deposit should count the cash first and keep a signed copy of the cash count sheet. Make sure the bank deposit slips match the cash records.
 - ii. A second finance staff member should take the cash to the bank, obtain a deposit receipt, and file the receipt for audit.
6. **Federal Award of Funds (also referred to as grants) Impact on Cash Management:**
- a. **Compliance with Federal Rules:** When applying for federal grants, the staff member in charge (grant administrator) must follow specific federal Uniform Administrative Requirements ([2 CFR §200.300 - §200.345](#)), ([2 CFR §200.400 - §200.476](#)), and all related Vandergrift Public Library policies and procedures, including the Bid and Procurement Procedure.
 - b. **Budget Approval:** Before applying for a grant, the grant administrator submits a proposed budget and project description to the library director for approval. This approval is needed before submitting the grant application.
 - c. **Tracking Fund Usage:** Federal funds must be tracked to ensure they are used according to federal laws. Staff should follow established internal controls for this process ([2 CFR 200.300\(a\)](#)).
 - d. **Use of Advance Payments:** If advance federal payments are received, they must be deposited in insured ([2 CFR 200.305\(b\)\(10\)](#)) and interest-bearing accounts (resulting in no more than \$500 in interest per year), unless one of the following applies in the federal Uniform Administrative Requirements ([2 CFR 200.305\(b\)\(11\)](#)). These funds must be spent as soon as possible ([2 CFR 200.305\(b\)\(1\)](#)).
 - e. **Identifying Federal Awards:** The Vandergrift Public Library keeps track of all federal funds received, including details like the program name, federal award number, year issued, and the federal agency involved ([2 CFR 200.302\(b\)\(1\)](#)).
 - f. **Cost Allowability:** The grant administrator must check that proposed costs meet the grant's terms and conditions of the Federal award for allowable costs before those funds are obligated or spent on goods and services ([2 CFR 200.302\(b\)\(7\)](#)).
 - g. **Cost Classification:** Basic considerations for costs and direct and indirect costs classifications are determined by reviewing and complying with Subpart E of Part 200 – Uniform Administrative Requirements, Cost

Principles, and Audit Requirements for Federal Awards ([2 CFR §200.400 - §200.476](#)).

- h. **Verifying Goods and Services:** The grant administrator is responsible for confirming that goods or services received match the orders and contracts. This includes matching packing slips, requisition forms, quotes, and invoices. Services must be performed substantially as indicated in any bid documents, quotes, or contracts.
 - i. **Initial Expenditures:** Federal grant expenditures are initially charged to non-federal funds.
 - j. **Requesting Reimbursement:** The grant administrator submits reimbursement requests for actual expenses incurred under the grant, along with the required documentation to the Federal agency or pass-through entity such as the Office of Commonwealth Libraries (OCL).
 - k. **Actual Spending Basis:** Reimbursements are based on real expenses, not just commitments to spend.
 - l. **Budget Alignment:** All spending must align with the approved grant budget. Any changes need prior approval from the Federal agency or pass-through entity such as the Office of Commonwealth Libraries (OCL).
 - m. **Tracking Project Milestones:** The grant administrator tracks all tasks related to the federal award, including submitting reimbursement requests and required reporting.
 - n. **Time Tracking:** Staff time covered by federal funds is tracked separately from purchases of goods and services made with those funds.
 - o. **Keeping Records:** The Vandergrift Public Library maintains all documentation (like receipts) that supports federal expenditures and keeps them available on request. These records are stored for the duration specified in the grant requirements or Document Retention Policy, whichever time period is longer. This includes records that identify the amount, source, and expenditure of Federal funds for Federal awards ([2 CFR 200.302\(b\)\(3\)](#)).
7. **Petty Cash:** All petty cash should be stored securely in the library locked cabinet, and always kept under lock and key.
 8. **Cash Equivalents:**
 - a. **Inventory of Cash Equivalents:** Vandergrift Public Library maintains a detailed list of all cash equivalents, banks used and types of bank accounts, authorized signatories, etc.
 - b. **Transaction Process:** One finance staff member is responsible for initiating the transfer from cash equivalents to cash and another finance staff member handles the reconciliation of the transaction.
 - c. **Balance Sheet Classification:** Cash and cash equivalents are clearly defined on the Vandergrift Public Library's balance sheet to show which assets are liquid (easily convertible to cash) and which are not.
 9. **Receiving and Tracking Donations:**
 - a. Donations are tracked under the procedures for 'Tracking Payments and Donations'

- b. Additionally, donation amounts are entered into a donor tracking database with the following information by the development department or library director:
 - i. Name of Donor
 - ii. Amount of donation
 - iii. Date of donation
 - iv. Cash type: Cash, check, credit card

10. Annual Audit/Financial Review:

- a. An annual audit or financial review is completed by the Vandergrift Public Library's external accounting firm to detect the performance of the internal controls process and to address any weaknesses in the process.
- b. On a yearly basis, the board of trustees, library director, and staff who handle financial responsibilities will review the Cash Management Procedure for effectiveness of internal controls.

Board Procedures:

The Vandergrift Public Library's board of trustees is legally responsible for fiscal oversight of the approved budget, regular review of financial reports, and engages in long-term planning to support the mission and financial sustainability of the library. The board works with the library director to prepare the annual budget. The Board Treasurer oversees the library's bank and other financial accounts and oversees all organizational financial records. If the Treasurer is unavailable, the Board President can take over these duties. The Library Director assists the board with financial management and supervises staff who handle financial records.

Monitoring for Compliance and Consequences:

All cash received and expenses made by Vandergrift Public Library will be checked and audited to ensure everything is correct. All staff involved in cash management as well as the Board Treasurer will undergo background checks. You are responsible for following the Cash Management Procedure to make sure all accounting practices and internal controls are properly followed. If cash is found to be taken from the library without permission, you could face disciplinary action, legal action, and termination from your position at the library.

Procedure Notice: This procedure is subject to change without notice.

Original Approval and Amendments:

Procedure originally adopted by Vandergrift Public Library on 7/8/2026.