

Starr Library

PAYMENT AUTHORIZATION POLICY

Purpose

To comply with New York State requirements for board oversight of library expenditures while ensuring timely, secure, and efficient payment of routine and approved expenses.

Scope

This policy applies to all expenditures of Starr Library, including check, ACH, credit card, and online payments.

Policy

1. Board Approval of Claims

All **non-routine claims** must be approved by the Board of Trustees prior to payment, typically through monthly warrant approval.

Non-routine claims include expenses not regularly recurring, not included in the approved budget, or not previously authorized by board vote or contract. Examples: capital purchases, new vendor payments, or one-time consultant fees.

2. Pre-Authorized Routine Payments

To ensure uninterrupted operations, the Board authorizes the Library Director to make timely payments for the following routine expenses, without requiring prior approval from the Treasurer or Board:

- Payroll and payroll-related liabilities
- Utility bills (electricity, gas, water, internet, telephone)
- Credit card statements for authorized purchases
- Budgeted subscriptions, contracts, and recurring services

These payments must be properly documented and presented to the Board in the monthly claims report for review and ratification.

3. Limits and Internal Controls

- Payments over \$5,000 that are not part of a pre-approved contract or resolution must be reviewed and approved by the Board prior to payment.
- The Library Director must maintain a complete, auditable record of all expenditures.

- The Treasurer is not required to pre-approve or co-sign routine payments but may request periodic access to payment records or statements for oversight purposes.

4. Emergency Payments

The Library Director may authorize emergency expenditures not covered above to address time-sensitive needs. The Board must be notified as soon as possible, and documentation must be included in the next claims package.

5. Online and ACH Payments

Starr Library authorizes the use of secure systems such as bank portals, vendor sites, or QuickBooks Online to issue payments.

- ACH payments and online bill pay are permitted for utilities, credit cards, and vendors.
- Online payments may be entered and submitted by the Library Director or a designated staff member under her supervision.
- Payments over \$5,000 must involve dual control, meaning one individual processes the payment, and another reviews it promptly before or as soon as possible after release.

All online payments are subject to the same documentation and reporting requirements as other payments and must be included in the monthly claims package.

6. Fraud Prevention Measures

To minimize risk:

- New vendors must be verified by the Director or designee before payment.
- All invoices must be checked for accuracy, alignment with budgeted expenses, and consistency with services received.
- Segregation of duties should be observed when practical. For high-dollar transactions, oversight must involve at least two individuals (Director, Treasurer, or designated trustee).
- The Treasurer may request access to payment history or financial systems at any time and will receive summary reports monthly or upon request.

Starr Library Board Resolution

Authorization for Routine and Online Payments

Whereas, the timely payment of certain routine expenses is necessary to maintain operations and avoid service disruptions,

Be it resolved, that the Board authorizes the Library Director and designated staff to issue payments for payroll, utilities, credit card bills, and other recurring budgeted expenses prior to warrant approval, including through secure online or ACH systems.

Payments over \$5,000 shall be subject to dual review or oversight. All emergency payments under Section 4 (Emergency Payments) shall be reported to the board as soon as possible.

This resolution remains in effect until amended or revoked by the Board.

(References: NY State Comptroller's Guide to Financial Oversight Responsibilities of the Governing Board, Office of the State Comptroller – Online Banking Guidance, NYSED Library Handbook for Trustees, Public Officers Law & General Municipal Law (GML), Sections 103 & 104-b, Beekman Library and LaGrange Association Library)

Adapted and Approved by the Starr Library Board of Trustees: October 23, 2025