

MOUNTAIN-VALLEY LIBRARY SYSTEM

Fiscal Policy

Adopted January 18, 2008

1. Budget Approval

MVLS' budget is developed by the Steering Committee and reviewed and approved by the Administrative Council at the meeting prior to the start of the next fiscal year.

The operating budget will reflect expenses which are less than or equal to anticipated income. The System shall have a capital budget for depreciable items with a cost in excess of \$2,500. Non-budgeted items of \$5,000 or over must be authorized by the Steering Committee and/or the Administrative Council.

Agreements for contracted services must be authorized by the Steering Committee and/or the Administrative Council.

2. Restricted Trust Fund Reserve

MVLS will set aside \$50,000 for funds to be used during times of economic uncertainty. These funds may also be used as wind down funds in the event of closure of the System.

MVLS' liquid assets will include sufficient funds to cover 6 months of annual operating budget. The amount will be reviewed annually to ensure that there are sufficient reserve funds and to account for changing conditions. This restricted reserve shall only be used in extraordinary/emergency circumstances that relate to the well being of the System. Use of the restricted reserve requires a two-thirds vote of the Administrative Council.

3. Fiscal Agent Responsibilities

North Bay Cooperative Library System (NBCLS), as MVLS' fiscal agent, will use the Sonoma County Treasurer-Auditor-Controller's office to hold on deposit and invest all revenues, to process payments, and to provide a general ledger. NBCLS will adhere to the business practices of the County of Sonoma. All documents will be prepared in accordance with instructions provided by the Auditor's office.

NBCLS as fiscal agent will maintain dishonesty bonds for all administration staff involved with MVLS financial transactions.

Requests for price and bids for equipment and services will be solicited in the by using the following agencies: :the Association of Bay Area Governments and Sacramento Area Council of Governments web sites. Additionally the California Multiple Award Schedule (CMAS) program will be used to identify vendors and discount prices. Additional agencies will be used as appropriate.