



NEW YORK LIBRARY ASSOCIATION

The Voice of the Library Community

Financial Policies Handbook

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NYLA FINANCIAL POLICIES HANDBOOK

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PREFACE

The Financial Handbook of the New York Library Association is prepared by the Executive Director and reviewed by the Finance Committee, for use by Sections, Roundtables, Treasurers, NYLA Council and all NYLA members. The handbook articulates the policies which govern the fiscal administration of the New York Library Association, its Section, and its Roundtables. It explains the processes which insure that accurate bookkeeping occurs for NYLA and its Units. It provides examples of reimbursement forms and report forms basic to the procedures necessary for individuals to receive timely reimbursement. This handbook is reviewed and revised annually in order for it to be timely and accurate for all those who use it. Questions about the issues covered within the handbook may be referred to the NYLA Executive Director; 6021 State Farm Road, Guilderland, NY 12084, (1-800-252-6952) or by contacting the Treasurer of NYLA.

I. NYLA CHARTER

A. Article of Incorporation

Following is the text of NYLA's charter:

The University of the State of New York Education Department Absolute Charter of the New York Library Association, Inc.

This instrument witnessed that the Board of Regents for and on the behalf of the Education Department of the State of New York granted this absolute charter to the New York Library Association, Inc. (the office or place of business formerly at Buffalo, Erie County and Pelham, Westchester County, and now in the City of Albany) - which was incorporated by the Regents under a provisional charter granted on November 19, 1929, and extended for a five-year period on May 16,1941 - and has continued the said corporation with all its powers, privileges and duties.

Granted on December 20, 1946, by the Board of Regents for and on behalf of the State Education Department, executed under the seal of said Department and recorded therein. Number 5334

B. IRS Tax Exemption

Internal Revenue Service. Date of Exemption letter: December 1958. Exemption granted pursuant to 1954 Code Section 501(c) 3 or its predecessor Code Section. **The Employer Identification Number is 14-1407060.**

C. New York State Exempt Status

State of New York, Department of Taxation and Finance. The New York Library Association is exempt from payment of the New York State and local sales and use tax according to the provisions of the Tax Law. **Certificate Number is EX-130377.** Date issued: June 1, 1971.

D. Reporting to IRS and NYS

The Executive Director is responsible for meeting deposit and filing requirements of local, state, and federal agencies. These include:

- Deposits and reports of federal taxes withheld
- Deposits and reports of state taxes withheld
- Deposits and reports of FICA withheld
- Payment of New York Unemployment Compensation
- Filing and payment of fee to Secretary of State, State of New York, for Association as a corporation
- Filing of annual information report as a tax exempt organization with the Internal Revenue Service
- Filing forms pertinent to taxes or salaries as required by government agencies including Form 1099
- Filing of lobbying registration forms and reports
- Filing of IRS Form 5500 related to the NYLA Pension Plan
- Filing and Payment of sales tax to New York State

II. FISCAL YEAR

The fiscal year of the Association shall be July 1 to June 30 and a budget for that fiscal year shall be approved by Council by June 30 of the preceding fiscal year.

III. SCHEDULE OF DUES

Details on all membership dues rates can be found in the Leadership Manual

IV. OFFICERS AND ELECTED MEMBERS OF COUNCIL

See NYLA By-Laws

V. FISCAL ROLES AND RESPONSIBILITIES

A. Fidelity Bonds

The Treasurer, Executive Director and Employees of the Association who are responsible for collection, disbursement, investment or safekeeping of funds shall give bond for the faithful performance of their duties, the bond to be in such form and amount as shall be prescribed by the Executive Board and approved by Council.

B. Council

Council has the responsibility for approving the annual program of activities of the Association including those of all Committees, Section and Roundtables. Council is responsible for the review and approval of the total annual budget for the Association including the budgets of all Association Committees. Council establishes and approves the salary of the Executive Director.

C. NYLA Treasurer and Treasurer-Elect

The Treasurer is accountable to Council and to the membership-at-large for NYLA's financial affairs and reports at Annual Conferences. The Treasurer sits on the NYLA Executive Board and on Council and reports at each meeting. The Treasurer sits on the Finance Committee.

The Treasurer holds meetings for Section Treasurers: one at Annual Conference and one, if needed, before the following summer. The term of office for the Treasurer is two years. The Treasurer is bonded.

Two candidates are nominated for the position of Treasurer. The Treasurer-elect holds the position of observer for the period of two years before taking office as Treasurer.

The Treasurer submits an annual report to the Association at the annual meeting. These reports are to be placed in the Association archives.

D. Audit & Finance Committee

Charge:

The Audit and Finance Committee shall oversee all audits and the overall fiscal affairs of the Association. The Committee shall develop a budget for approval by the Council; propose policies governing the finances of the Corporation for adoption by the Council; and, endeavor to assure that all the Corporation's institutional funds are deposited, invested and withdrawn in a manner consistent with all applicable statutes, regulations and contractual obligations, if any. The Committee shall assure that proper federal and state compliance and tax filings are submitted, and that any taxes due have been paid or, otherwise, addressed. It shall periodically review the Association's internal and financial controls, and the adequacy of the Association's insurance coverage. It shall also assure that proper policies and procedures are in place to ensure that all newly-received and annually-submitted Conflict of Interest Disclosure Statements, an unexecuted copy of which is annexed to these By-Laws as Appendix "B," and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Chair of the Committee and shall subsequently see to it that they are properly considered for auditing purposes.

Composition:

Subject to appointment by the Council, the Audit & Finance Committee may consist of the President, the Vice President-Elect, the Immediate Past President, the Treasurer and the Treasurer-Elect, provided these members are found by resolution of the Council to be "Independent Directors" (as defined by Appendix "A"); however, under no circumstances shall the Corporation's "Independent Auditor" (as defined by Appendix "A") or a partner, employee of business associate or "Relative" (as defined by Appendix "A") of the Independent Auditor's firm, serve on the Committee. The Treasurer and Treasurer-Elect are precluded from serving as Chair of the Committee.

E. Executive Director

The Executive Director has custody of the ledgers, account books, checkbooks, deposit records, vouchers, passbooks

and other documents pertinent to the Association's fiscal matters. Such records shall be up-to-date and available to any member of the Association upon reasonable notice and during regular office hours.

The Executive Director is responsible for meeting deposits and filing requirements of state, local, and federal agencies.

The Executive Director administers all cash receipts and disbursements in accordance with policies established by the Council.

The Executive Director administers and signs all contracts for NYLA Units in accordance with policies established by the Council.

The Executive Director collects data for consideration in the budget process; works with the Treasurer in drafting a recommended budget; disseminates budget information; and works with the Finance Committee, the Investment Committee, the Executive Board and Council to facilitate the functions of budget review and control.

In consultation with the Treasurer and the Finance Committee, the Executive Director administers the Association's investments in savings certificates, treasury bills and federally insured or other income producing investments when cash assets allow such investments without jeopardizing the Association's ability to conduct current business. NYLA's investment policy describes investment activities in greater detail.

The Executive Director provides monthly statements of revenue and expenses and budget comparisons to the Finance Committee, Executive Board and Council. The Executive Director assists the Treasurer in presenting financial reports to the Council at each regularly scheduled Council meeting.

No Officer, Committee, or Member of the Association shall incur any expense in its name unless authorized by Council, nor shall the Executive Director make any payments except for expenditures so authorized. The President, the Treasurer and the Executive Director shall have the power to sign checks of the Association.

Payment of expenses for approved budget lines is the responsibility of the Executive Director upon receipt of duly authorized requests.

The Council has granted the Executive Director the authority to over spend individual budget lines within general categories - Personnel Expenses, Professional Fees, Office Operations and Publications/Promotions - at his/her discretion, with the understanding that subtotal categories will not be exceeded without Council approval and with the further understanding that the Executive Director's salary and benefits may not be changed without prior Council approval. (Approved by Council 1/10/95)

VI. POLICIES GOVERNING NYLA ASSETS

A. Bank Accounts

One of NYLA's financial goals is to maintain readily accessible and without interest penalty a maximum of six months' operational budget. The remainder of all NYLA's assets shall be invested in high interest-bearing accounts or certificates as recommended by the Executive Director and approved by the NYLA Executive Committee. All cash receipts are received by NYLA staff, deposited daily in the NYLA account, accredited to the appropriate ledger account and reviewed periodically by the Executive Director. The Executive Board may approve exceptions.

The Executive Director is authorized to sign checks in excess of \$1,000 for payroll expenses including retirement,

health insurance and payroll tax. (Effective September 12, 2002)

Checks drawn on the Association checking account under \$1,000 require the signature of the Executive Director, Treasurer or President. Checks \$1,000 and over require the signatures of two of the three. Withdrawals from Association investment accounts in amounts over \$1,000 require two signatures. (Annual Business Meeting October 31, 1992)

Interest income from all NYLA accounts, with the exception of special Unit scholarship accounts, is treated as revenue in the general fund. (Council, August 31, 1994)

B. Investment Policy

NYLA believes that a balanced approach to portfolio management is required to reduce volatility and prudently maximize total return for the long term (at least 3-5 year horizon). Total return is defined to be the result of capital gains, realized and unrealized, plus income derived from dividends and interest. It is recognized that economic and market conditions are not constant but ever changing and, as a result, continuous portfolio adjustments will be required in order to maintain asset productivity.

It is expected that the Investment Manager will manage the portfolio to seek to achieve the objective at all times. NYLA does not desire a high risk/high-volatility approach that produces large gains as well as large losses. Rather, we seek a more consistent approach limited to equity investments, intermediate-term fixed income securities, which may include government treasuries and agencies, corporate security and money market instruments. Our goals are to:

1. Maximize the return on funds contributed specifically to the New York Library Association.
2. Maintain sufficient liquidity to meet the anticipated expenses of the Association.
3. Maintain the stipulation of gifts donations and bequests with respect to the donor's wishes. If possible and acceptable, maintain the principal of bequests in perpetuity.
4. Investment responsibilities of the Finance Committee will be to:
 - a. Explore the initial investment option.
 - b. Monitor the investments and provide quarterly status reports to the Council.
 - c. Recommend changes in investments as needed.
5. All proposed investments must be approved by a majority of the Council.

C. Record of Investments

A complete record of all investments, including bank or other holding agencies, amount of investment, account number or other identification, interest rate, maturity date, conditions for withdrawal and other pertinent information are on file with the NYLA office.

D. Fixed Assets Policy

Fixed assets of less than \$1,000.00 will be expensed in the year of acquisition. Fixed assets costing over \$1,000.00 will be accounted for in a fixed assets account. Reports reflecting all fixed assets expenditures will be made annually.

E. NYLA Capitalization Policy

These guidelines are in place to establish to appropriate procedures for the recognition of fixed assets and the appropriate capitalization and depreciation of those assets.

Asset Capitalization Limit

Expenditures for items with an estimated useful life of over three years and costing over \$5000 will be capitalized.

Items having a cost of less than \$5000 or having a useful life of less than three years will be expensed in the year acquired.

Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.

(Adopted by Council 11/5/2014)

F. Vitality Fund

The NYLA Council established the Vitality Fund on October 14, 1982. Council amended the purpose, policies and procedures in October 1992 and September 2002.

Vitality Fund was eliminated in the interest of emphasizing a new endowment initiative. Approved 2/1/03 by NYLA Council

G. NYLA Fund For Excellence

To establish a Fund to be used to facilitate unanticipated activity needs of the Legislative, Intellectual Freedom and the Membership Committees.

Fund for Excellence was eliminated in the interest of emphasizing a new endowment initiative. Approved 2/1/03 by NYLA Council

H. INTELLECTUAL FREEDOM DEFENSE FUND

A NYLA fund to be drawn upon to support librarians and/or libraries embroiled in a First Amendment issue and needing legal assistance. (Approved by Council 2/1/91)

I. NYLA'S DISASTER RELIEF FUND

The purpose of this fund is to provide funding to libraries in New York damaged or destroyed by natural or manmade disasters like flooding, hurricanes, fire, etc.

J. SCHOLARSHIP FUND

The purpose of this fund is to provide a scholarship to one student at each of the seven library and information science schools in New York State.

K. ADVOCACY FUND

The purpose of this fund is to help underwrite the costs of NYLA's advocacy efforts at both the state and local levels. Funds would be used to promote libraries and their need for more public funding at the state and local levels.

L. LEGAL DEFENSE FUND

The purpose of this fund is to provide assistance to libraries on legal matters that have statewide implications for

the library community.

M. CENTER FOR THE BOOK FUND

1. Purpose

The purpose of the Empire State Center for the Book Fund is to collect donations to provide designated income for the project.

2. Management

The Empire State Center for the Book fund is managed by the Finance Committee. Funds will be held according to the association's financial policy as stated in Section 2 of Article XV of the Leadership Manual.

4. Administration

The Empire State Center for the Book Fund shall not be a separate entity, but shall be a board restricted fund of the NYLA. The accounting for the Fund shall be maintained centrally in the same manner as the other financial records of the NYLA. The Fund shall be audited as part of the NYLA's annual audit.

5. Reporting

Reports to the NYLA Council shall be made at each regular meeting and to the membership at the Annual Meeting.

6. Distribution

Disbursements from the Empire State Center for the Book fund will be made on a quarterly basis with the approval of the NYLA Treasurer, and may be used for any expenses incurred in conjunction with the activities of the Empire State Center for the book, as deemed appropriate by the NYLA Executive Director and NYLA Treasurer.

7. Form of Contributions

NYLA's Empire State Center for the Book Fund welcomes contributions in all sizes in the form of cash, checks or credit card payments.

8. Recognition

The Empire State Center for the Book Fund shall recognize those who make contributions throughout the year via the Empire State Center for the Book website.

N. NYLA's FUND for the FUTURE POLICY (Formerly Endowment Fund)

1. Purpose of the Fund

The purpose of the fund is to provide NYLA with future financial stability. Interest, dividends and capital gains from the fund would be used to provide operational support for NYLA.

2. Fund Management

The fund is managed by the Finance Committee. Funds will be invested according to the association's investment policy as stated in Section 2 of Article XV of the Leadership Manual.

3. Committee

The President shall appoint a minimum of five members to the Fund for the Future Committee whose responsibilities are to develop, coordinate and implement a fundraising plan for the Endowment.

4. Administration

The fund shall not be a separate entity, but shall be a board restricted fund of the NYLA. The accounting

for the Fund shall be maintained centrally in the same manner as the other financial records of the NYLA. The Fund shall be audited as part of the NYLA's annual audit.

5. Reporting

Reports to the NYLA Council shall be made at each regular meeting and to the membership at the Annual Meeting.

6. Distribution

No portion of the principal shall be used for ordinary operating expenses. Only interest, dividends and capital gains from the fund investment shall be used for NYLA operating expenses. A distribution to the operating fund will be made annually based on rolling average of interest, dividends and capital gains over the prior 12 quarters. No distribution shall be made until the principal has reached \$500,000.

7. Form of Contributions

NYLA's Fund for the Future welcomes the following donations:

- Cash, checks or credit card contributions
- Securities, stocks and bonds
- Bequests, estates and wills
- Life income through trusts
- Corporate matching gifts
- Contributions that honor and celebrate a loved one on their birthday, wedding, anniversary, graduation, retirement, the birth of a child etc.

8. Donor Levels and Recognition

The fund shall have several levels of participation, as follows:

Platinum donor-contributions of \$10,000 or more

Diamond donor-contributions of \$5,000-\$9,999

Gold donor-contributions of \$1,000-\$4999

Silver donor-contributions of \$100 - \$999

Bronze donor – contributions of less than \$100

Individual and organizational donors will be recognized annually in NYLA's Bulletin, on the NYLA website, and donors at the Gold Level and above will be recognized at the NYLA Inaugural Banquet and Awards Ceremony.

9. Name

The Endowment Fund was renamed September 13, 2012, NYLA's Fund for the Future in order to better reflect the fund being a Board restricted fund as opposed to a true endowment fund.

O. NYLA Sustainability Initiative Fund

1. Purpose

The purpose of the Sustainability Initiative Fund is to collect donations to provide designated income for the committee.

2. Management

The Sustainability Initiative Fund is managed by the Finance Committee. Funds will be held according to the association's financial policy as stated in Section 2 of Article XV of the Leadership Manual.

3. Administration

The Sustainability Initiative Fund shall not be a separate entity, but shall be a board restricted fund of the New York Library Association (NYLA). The accounting for the Fund shall be maintained centrally in the same manner as the other financial records of NYLA. The Fund shall be audited as part of the NYLA annual audit.

4. Reporting

Reports to the NYLA Council shall be made at each regular meeting and to the membership at the Annual Meeting.

5. Distribution

Disbursements from the Sustainability Initiative Fund will be made on a quarterly basis with the approval of the NYLA Treasurer, and may be used for any expenses incurred in conjunction with the activities of the Sustainability Initiative Committee, as deemed appropriate by the NYLA Executive Director and NYLA Treasurer.

6. Form of Contributions

NYLA's Sustainability Initiative Fund welcomes contributions in all sizes in the form of cash, checks or credit card payments.

7. Recognition

The Sustainability Initiative Fund shall recognize those who make contributions throughout the year via the Sustainability Initiative Committee website.

VII. ACCOUNTING PROCEDURES

A. Cash Basis Accounting

The day-to-day records of the Association shall use cash basis accounting, which shall be converted to accrual basis accounting by the auditor at the time of the audit, with the exception of membership dues which remain on cash basis.

B. Records Maintained

The New York Library Association under the direction of the Executive Director maintains the following books and records:

1. General Ledger
2. Trial Balance
3. General Journal
4. Accounts Receivable
5. Accounts Payable
6. Payroll Records
7. Membership Roster
8. Office Equipment Records
9. Investments Records
10. Publications Inventory Records
11. Vendor Records
12. Promotional Item Inventory
13. Liquid Fund Balance

14. Units' and NYLA Financial Statement

C. Internal Controls

A system of banking, bookkeeping and auditing is to be in place insuring that NYLA receipts and disbursements are handled appropriately. While the Executive Director is responsible for the financial activity and carries out said responsibilities through various office staff, checks on the Executive Director's integrity also exist. They include the direct relationship between the NYLA Council and the auditor and the requirement that any checks for non-salaried reimbursement to the Executive Director be signed by the President or the Treasurer.

1. Mail is opened and date stamped: Checks are stamped for deposit in NYLA's account. Each check is copied. All checks and copies of checks are sorted into categories by purpose. After that they are given to the Finance Manager for:

- a. Recording on deposit breakdown form by categories.
- b. Depositing into the appropriate NYLA account.
- c. Recording to the General Journal.

Transfer of money between accounts may be recommended and transacted by the Executive Director with the approval of the appropriate NYLA officers as the need arises.

2. Disbursements: Each invoice and reimbursement form is verified and stamped with date and account number.

- Checks are issued in numerical order.
- Check numbers are recorded.
- Signatures for checks are secured.
- President or Treasurer signs reimbursement checks for Executive Director.
- Checks are mailed.
- Back up for each check is filed in vendor file.
- Separate ledger accounts are maintained for each NYLA Unit with payments entered as made.

Funds from the checking account to be disbursed for payment of Association obligations are handled in the following manner:

The designated staff member codes the approved Unit reimbursement forms with the correct ledger number and codes vendors' bills according to their categories. The Executive Director approves each coded voucher for payment.

The Financial Manager prepares checks to be drawn against the checking account. Checks for less than \$1000 require the signature of the Executive Director, Treasurer or President; for amounts of \$1,000 or more, signatures of two are required.

Originals of the disbursement requests and supporting documents are maintained in the NYLA office.

3. Bank Statements: Monthly bank account statements are opened and reviewed. All bank account statements are reviewed, recorded, reconciled, and filed. The Executive Director signs each bank reconciliation.

4. Petty Cash: The Executive Director approves Petty cash of up to \$150.00. Petty cash accounting is

reviewed and appropriate accounts assigned to expenditures. The Director of Finance handles the petty cash and keeps it in a locked metal box in the office.

The designated staff member generates a memo outlining expenditures incurred with receipts and requests a check to replenish the petty cash based on expenditures. The memo is approved and a replacement check for petty cash is prepared.

D. Financial Statements

Financial reports are submitted by the Executive Director on a monthly basis to members of the Council including a statement of revenue and expenses for NYLA and budget comparisons for the period. In addition, the monthly general ledger, balance sheet and income statement are reviewed by the Executive Director and brought to the attention of officers and Council if necessary.

The Executive Director provides financial reports for the Sections and Roundtables to the current President or chair and Treasurer on a monthly basis. Copies of these may be provided to the NYLA President and Treasurer. These reports shall include a detailed listing of all new dues, publication income and income from other sources and a detailed listing of all expenses incurred and checks written. Special reports also shall be provided upon request.

Financial reports to NYLA Committees may be provided upon request from a Committee chair.

A financial report shall be made annually to the membership. The NYLA Treasurer at the annual business meeting makes the financial report. (Bylaws, Article XIV, Section 4)

In addition, from time-to-time, special reports may be required.

E. External Auditors

The Council shall provide for an annual certified audit of the Association's accounts by an independent auditor. (Bylaws, Article XIV, Section 3)

The Executive Director is authorized to enter into a three-year contract for the New York Library Association with the auditing firm approved by the Executive Board. At the end of that period of time, and after each successive three-year period, the Executive Director will obtain proposals from three companies for consideration by the Executive Board. (Approved by the Executive Board August 18, 1988.)

Council must approve the choice of the independent auditor. Other accounts, such as those of Sections or Roundtables will be included.

The annual audit report is presented to the President, Treasurer and Executive Director by the audit firm. It is the responsibility of the Treasurer to present the audit report to the Finance Committee and the Council. The final audit report is mailed directly to members of Council by the audit firm. The Finance Committee reviews the audit and any recommendations made to the Council by the auditor will be addressed and appropriate action taken within the fiscal year. The audit report includes a management letter and a review of all financial reports, checks compliance with regulatory agency requirements, and attests to the efficiency of the NYLA office in administering the affairs of the Association.

F. Contracts

The Executive Director administers and signs all contracts for NYLA and NYLA Units in accordance with policies established by Council. NYLA will pay no more than 5% in indirect costs for outside contracted services.

VIII. INSURANCE

Comprehensive insurance is to be maintained for the NYLA office including liability, theft, fire, worker's compensation, directors and officers insurance and other types of insurance as deemed necessary by the Executive Board. The Executive Director is authorized to contract for policies after Council approval. The Executive Director reviews all insurance programs annually. NYLA's liability insurance may be extended to Unit conferences upon request.

IX. BUDGET CALENDER

The NYLA budget runs from July 1 - June 30. The planning process begins approximately six months before the budget takes effect. In addition, budget adjustments may be made throughout the budget year.

A. January: By January 1, the President sends a reminder to NYLA Committee chairs to submit Committee budget requests for the coming year. Any comments the President wishes to make on the outlook for the following year are acceptable.

The Executive Director and Treasurer, in consultation with the incoming President, begin to prepare a projected budget of revenue and expenses for the coming year. The budget includes the Annual Conference budget.

B. March: The projected budget is reviewed by and approved by the Finance Committee and the Executive Board and forwarded during the month of March to members of the seated NYLA Council. At this time, the projected budget is also available for review by any NYLA Unit requesting a copy.

C. May: The projected budget is reviewed and approved by Council. The Budget takes effect in July 1.

D. July - October: Adjustments may be made to the entire budget upon recommendation of the Executive Director and the Treasurer and approval of the Finance Committee and Executive Board. Such adjustments may result from review of fourth quarter figures, the annual audit, or other intervening considerations.

The Adjusted budget for the new fiscal year is reviewed and approved by the NYLA Council no later than June 31.

X. NYLA UNITS

A. NYLA UNITS

All NYLA Units shall be credited with membership dues upon receipt at the NYLA office:

A Section selected as a member's basic Section receives 25% of the basic dues. Each Section selected by a member as an additional Section receives the designated amount of \$7.00. Each Roundtable selected by a member receives the designated amount of \$5.00.

NYLA Units have their Unit treasuries administered in the NYLA office. The Unit account is posted monthly to reflect all membership income received. All documented requests for disbursements of funds are paid within the month

they are received. Unit Treasurers receive verification of payment of each disbursement request in the Unit's financial report for the month following the request.

All income from Unit conferences, workshops, publications, or any other event or purpose of NYLA Units using central bookkeeping, must be sent directly to the NYLA office. All checks must be made payable to the New York Library Association and not to an individual person, Section, Roundtable, or Committee. A NYLA Unit designation may be added after "New York Library Association" on the check for clarity of fund designation when needed. All income deposited with the NYLA office in this manner is credited to the Unit's account on the date of receipt in the NYLA office, and is reported to the Unit Treasurer in the Unit's financial report for the following month.

B. Application by NYLA Units for NYLA Funding

Historical information on Loans to NYLA Units can be found in the 2010 Financial Handbook.

C. Applications by NYLA Sections, Roundtables and NYLA Committees to Outside Funding Source

The New York Library Association's Council wishes to become aware of what monies are being requested by the various Units of NYLA in order to prevent duplication of applications to any single funding source. Since NYLA is the official sponsor of any such request, it is important that the Executive Board and Council ensure such requests are within the mission of the New York Library Association.

All Units of NYLA are required to communicate their intent to apply for funding with any outside funding source in writing with the NYLA office prior to submitting the application. This applies to both grant applications and solicitations for commercial sponsorships.

1. POLICIES

No Unit (Section, Roundtable or Committee) of the Association shall solicit outside funds, gifts, or donations in cash or in kind from any source exceeding \$500 without the formal approval of Council. Since Council must approve all such requests, the Unit shall give prior notification to Council, via the Executive Director, of any application for special funding from a federal, state or other outside agency that will exceed \$500.

Unsolicited donations to any NYLA Unit, regardless of the amount, must have prior approval of the NYLA President in consultation with the Executive Director before they can be accepted. Council should be informed about the decisions regarding such donations at the next Council meeting.

Any NYLA Unit submitting requests to outside funding sources in amounts less than \$500 should inform the NYLA President and Executive Director in writing at the same time such request is formally submitted to the outside funding source.

No NYLA member may engage a consultant or agent on behalf of the Association without expressed written approval of the Executive Director and either the President or the Treasurer. The terms and conditions of the relationship between the Association and every consultant or agent must be made in writing and signed by the Executive Director and the President or Treasurer.

2. PROCEDURES

The NYLA Executive Director should receive and review all Unit applications for outside funding or in-kind

contributions that exceed \$500. The Executive Director acts on behalf of the Council as the screening mechanism for all applications. The Executive Committee's purpose is to:

- Review applications in order to prevent duplication of grant applications to any single funding source;
- Prioritize grant applications to any single funding source;
- Insure that all grant applications are within the mission of the New York Library Association;
- Present grant applications to the Executive Board and Council with recommendations for approval or disapproval prior to submission to the funding source.

Proposal Submission

The applicant Unit (Section, Roundtable, Committee) should submit one copy of the entire proposal to the NYLA Executive Director within a reasonable time period prior to the Executive Board and Council meetings. Eight weeks is suggested as a reasonable time period by the Executive Director, but this type of lead time may not always be possible.

One completed copy of any formal grant form(s) required by the funding agency must be included. The applicant Unit should provide the name and phone number of one individual who will be the contact person or "Unit representative" for the request. The Unit representative should be able to address any questions, concerns, or issues about the proposal raised by the Executive Director.

Review Process

The Executive Director will review all proposals. The Executive Director may contact the Unit representative to ask questions to suggest possible revisions to improve the proposal. The Unit representative should try to respond promptly to such request for information. The Unit representative should inform the Executive Director if the Unit wishes to submit any revisions to the proposal before the Executive Director make a recommendation to the Executive Board and Council.

The Executive Director should make the recommendations for approval or disapproval to the Executive Board and then Council in time for the next scheduled meeting or earlier, if necessary. The Executive Director and President of NYLA should be consulted by the Unit chair before any recommendations are presented to the Executive Board and then Council.

The Executive Director will inform the applicant Unit of his/her recommendation for approval or disapproval at the same time that recommendation is submitted to the Executive Board. The applicant may appeal to the Executive Board by contacting the NYLA President.

The Executive Board will make a decision as to the approval or disapproval of each request, and will then offer that decision to NYLA Council for a final determination. Council will be informed of the Executive Committee's recommendation and of the Executive Board's decision.

If the timing is such that a decision on the proposal must be made before the next scheduled Council meeting, the Executive Board may act on behalf of Council as provided for in the Association's bylaws, and the NYLA President shall report any such action at the next Council meeting.

Notification

The Executive Director will notify the Unit representative regarding the Executive Board or Council decision

within two working days after the decision is made. The Executive Director will also inform the Unit representative of the rationale for Executive Board or Council decision. It is the responsibility of the Unit representative to provide this information to Unit leadership (i.e., officers or Committee chairs). The Unit may choose to appeal the decision or revise and resubmit the proposal. Units choosing to appeal the decision should notify the NYLA President in writing.

Record Keeping

Complete final texts of all proposals approved by Council shall be submitted to the NYLA office and kept on file. The text of proposals disapproved by Council shall also be kept on file at the NYLA office. The NYLA office should be notified in writing by the Unit representative when the proposal is funded or when the proposal is turned down.

Arrangements for processing the actual grant monies must be made through the NYLA office. Grant monies must be reflected in NYLA financial documents for budgetary and tax purposes and will be distributed by NYLA to the appropriate recipient. (Approved by Council 5/14/92)

D. Restricted Unit Accounts for Unit Scholarship Funds

Units may request NYLA to establish a scholarship fund of \$5,000 or more in a restricted, separate bank account. Interest earned must be used for activities related to the Unit scholarship fund. The Executive Director under existing policies will administer such an account and procedures for bank accounts and investments as described in the NYLA Financial Handbook.

Payment of the scholarship will be made by NYLA at the direction of the Unit. (Approved by Council, 9/12/91)

E. Sales Tax Collection

On January 1, 1994, NYLA began collecting and remitting sales tax to New York State. The NYLA office oversees all official reporting and tax payments, but depends upon the NYLA Unit Treasurers for specific information. Tax will be collected for "goods" that NYLA and its Units sell, such as publications and promotional items. Promotional items include books, mugs, tote bags, note pads, t-shirts and other similar items. In order to collect and remit the sales tax accurately, NYLA needs the assistance of Unit Treasurers.

The Sales Tax Remittance Form is to be completed when a Unit sells and distributes any item for which the Unit is required to collect tax. This form must be submitted to NYLA monthly with the tax collected from any sales. A reimbursement form permitting a transfer from Unit funds to NYLA's will suffice for payment if it accompanies the new form. The revenue earned for the Section when selling items will be submitted to NYLA in the regular way.

Units should remit sales tax to NYLA in a timely manner. NYLA will take responsibility for the tax on all items sold and distributed from the NYLA office.

There are two ways a Unit can handle collecting sales tax. The Unit may increase the cost of the items sold by at least 8.5% to absorb the highest tax rate in the State. The Unit would then advertise the price of each item as "includes sales tax". The Unit may also charge the exact tax each time an item is sold. Either way is acceptable, but keep in mind NYLA needs to know which taxing jurisdiction is to be the "recipient" of any taxes.

XI. REIMBURSEMENT PROCEDURES

A. NYLA's Reimbursement Guidelines

NYLA Council firmly believes that a member's financial circumstances should not be a limiting factor to member participation in the Association's activities. Therefore, NYLA Council has approved policies, procedures and rates for reimbursement of reasonable expenses to members for activities that are authorized by Council. NYLA Council expects that members and staff engaged in the course of Association business will show fiscal prudence in relation to all expenditures made on behalf of the Association. NYLA members and staff are expected to arrange activities in a manner which would incur the least expensive cost for members and the Association whenever possible. Members should take advantage of the discounts offered by Amtrak.

B. Reimbursement Policies

1. General Policies

"No office, Committee, or member of the Association shall incur any expenses in its name unless authorized by Council, nor shall the Executive Director make any payments except for expenditures so authorized."
(Bylaws, Article XIV, Section 2)

Expenses of the Executive Board, Council and NYLA Committees for their normal operations are chargeable to the Association budget in amounts previously approved by Council. Expenses of NYLA Units (i.e., Sections and Roundtables) are chargeable to appropriate Unit budgets in amounts as approved by Unit officers. Such items as postage, telephone and printing shall be considered normal expenses.

Expenses are paid on a reimbursement basis only and shall be in keeping with the previously approved budget of Council or the appropriate Unit.

2. Travel Reimbursement Policies and Rates

NYLA officers, NYLA Council, NYLA Chairpersons and NYLA staff are encouraged to hold meetings in sites which incur the least expensive travel cost for members and for the Association whenever possible. Reimbursement for NYLA officers, NYLA Committee members other NYLA members engaged in Association business and NYLA staff shall not exceed NYLA's reimbursement rates without Council approval and shall conform with NYLA's reimbursement policies. NYLA Unit (Section and Roundtable) officers, Committee chairs and members are reimbursed from Unit budgets according to policies adopted by the appropriate elected officers or board.

All staff and members incurring expenses while traveling on NYLA business shall try to use the least expensive form of transportation conveniently available whenever possible. Expenses for air travel will not be reimbursed to residents within 200 miles of the meeting site. Overnight accommodations at the meeting site at the lowest possible lodging rate may be included when it is impossible to reach the meeting and return in a normal day's travel (7 am - 7 pm). Residents within 50 miles of the meeting site shall not be eligible for lodging reimbursement. Exceptions to this policy cannot be made without prior approval of the Executive Director.

3. NYLA Executive Board and Council

Expenses shall be paid for individual members of the Executive Board in their capacities as officers of and spokespersons for the Association as well as for the purpose of conducting Association business, within the budget allocations approved by Council.

Expenses shall be paid for members of the Executive Board and Council to attend all Executive Board and Council meetings, respectively, with the exception of meetings held during Annual Conference. Expenses are paid for chairpersons of NYLA Committees, Units, and special guests to attend Executive Board and Council meetings upon invitation by the President. Luncheon expenses shall be paid by NYLA for members of the Executive Board and Council meeting with the exception of meetings held during Annual Conference.

Expenses shall be paid for the ALA Councilor to attend the ALA Mid winter and Annual Conferences. Reimbursed expenses shall not exceed NYLA's reimbursement rates, except when the costs of a hotel room at the conference hotel where Council meetings are located exceeds the NYLA reimbursement rates. The ALA Councilor may be reimbursed for the actual expenditure for a single room at such hotel. (Council, August 31, 1994)

4. NYLA Committees

Expenses shall be paid for chairpersons and members of NYLA Committees to attend Committee meetings based on the Committee's budget allocation, annual meetings schedule and plan of action. Reimbursement rates for NYLA Committee expenses may not exceed NYLA's reimbursement rates and shall conform to NYLA's reimbursement policies. The Committee chairperson is responsible for approving all requests for reimbursement by Committee members.

5. NYLA Staff

Expenses shall be paid for staff of the Association at the same NYLA reimbursement rates as that for members. Expenses for staff attendance at Annual Conference will be reimbursed upon approval of the Executive Director. Expenses for travel for the Executive Director are reviewed and approved by either the NYLA Treasurer or the NYLA President.

6. NYLA Units

Expenses shall be paid for NYLA Units (Section and Roundtable) officers, Unit Committee chairs and Unit members according to written policies adopted by the appropriate elected officers or boards. All Units must have a copy of their current written reimbursement policies and rates on file at the NYLA Office.

7. NYLA Reimbursement Rates for Travel

Reimbursement rates for travel within and outside of New York State are based on the New York State Reimbursement Rate for Professional, Scientific and Technical Employees. The NYLA rates will change periodically, as the State rate changes, and as the Council decides.

Meals: Meals will be reimbursed when overnight travel is required. When overnight travel is not necessary but the traveler must leave home before 7:00 am, breakfast will be reimbursed; or when the traveler must return home after 7:00 pm, dinner will be reimbursed. Actual expenses will be reimbursed, with receipts, up to: Breakfast: \$15, Lunch: \$25, Dinner: \$40; per diem maximum of \$70 **Receipts are required**. Alcohol is not reimbursable.

Lodging: Hotel rooms will be reimbursed when overnight travel is required and prior approval granted. (Council, April 23, 1982) Receipts are required. Overnight accommodations at the meeting site at the lowest possible lodging rate may be included when it is impossible to reach the meeting and return in a normal day's travel (7 am - 7 pm). Residents within 50 miles of the meeting site shall not be eligible for lodging

reimbursement. Exceptions to this policy cannot be made without prior approval of the Executive Director. Double occupancy at the official hotel is required whenever possible.

Transportation: The least expensive form of transportation conveniently available is to be used. Public transportation will be reimbursed at economy ticket price with receipts. Expenses for air travel will not be reimbursed for residents within 200 miles of the meeting site. Auto travel will be reimbursed at New York State Reimbursement Rate for Professional, Scientific, and Technical Employees for mileage plus tolls. Actual expenses for a rental car will be reimbursed with receipts if no public ground transportation or private automobile is available, otherwise cost for a rental car will be reimbursed at no more than the cost of public ground transportation or mileage plus tolls, whichever is higher.

Parking: Actual expenses will be reimbursed with receipts.

Tips: Appropriate expenses for tips will be reimbursed.

Taxes: NYLA is a tax-exempt organization. Tax-exempt forms are available for the NYLA Office.

Conference Registration: Expenses for NYLA Conference registration will not be reimbursed for NYLA members. Expenses for registration at ALA Conferences and other approved conference attendance shall be reimbursed for the ALA Councilor and for NYLA staff with receipts. Exceptions to this policy cannot be made without prior approval of Council.

Exceptions to these travel reimbursement policies and rates cannot be made without prior approval of the Executive Director.

C. Reimbursement Procedures

Reimbursement procedures apply to all officers, chairpersons, members and staff including NYLA Units (Sections and Roundtables). Any NYLA member making expenditures on behalf of a NYLA activity must prepare a regular NYLA Expenses Reimbursement Request form. Copies may be obtained from the NYLA office and photocopied. All allowable expenses require receipts. Proper documentation, such as hotel bills, parking receipts, phone bills, and other receipts, must accompany each voucher. Of utmost importance is an identification of the meeting or event and date. The nature of the expenses should also be noted.

Members of the boards, Committees, and Units must get the signed approval of the appropriate chairperson, president, project Director, or grant administrator on the face of the voucher before submitting the reimbursement form to the NYLA office. All reimbursements must be in accord with the board, Committee, or Unit's previously approved budget allocation. Unit approved travel reimbursement policies and rates must be on file at the NYLA office. Requests that do not conform to these criteria will be returned.

(Complete Reimbursement Policy Approved by Council 9/12/91)

XII. HONORARIA POLICY

NYLA Council believes that the sharing of a librarian's professional knowledge is a professional obligation. Therefore, NYLA and its Units do not pay honoraria or fees to NYLA members or to any librarian who resides or works in New York State and who performs work for NYLA and its Units.

Exceptions to this policy can be made with advance approval of Council. Council has approved the payment of honoraria or fees to NYLA members in the following situations:

1. A NYLA member who plans and presents a NYLA Continuing Education Workshop or NYLA Unit pre-conference at the NYLA Annual Conference.
2. A NYLA member who performs work for a NYLA Section or NYLA Unit project funded by an external grant or donation.
3. A NYLA Member who performs work for a project which clearly and specifically requires professional expertise which is outside of the field of libraries or librarianship and for which a fee is normally charged.
(Approved by Council 10/28/92)

XIII. NYLA ANNUAL CONFERENCE

A. Conference registration Policy Statement:

NYLA does not pay expenses for members of NYLA attending meetings held in conjunction with state or national library meetings as, for example, the NYLA Conference, ALA midwinter, or Annual Conference. This does not apply to office staff and others specifically approved by Council or bylaws, such as President, Vice-President and ALA Chapter Councilors who may attend as designated representatives.

B. NYLA Annual Conference Speaker Expense Reimbursement Policies

NYLA, NYLA Committees and NYLA Units may reimburse NYLA Annual Conference speakers or guest for expenses as follows:

1. Honoraria or fees for a speaker who is not a NYLA member and/or not a librarian working or residing in New York State, as stated in Section XIII. Honoraria Policy.
2. Lodging and meals for any speaker or guest, including NYLA members. NYLA members must be reimbursed within appropriate NYLA Unit reimbursement guidelines.
3. Travel expenses for any speaker or guest, including NYLA members. NYLA members must be reimbursed within appropriate NYLA or NYLA Unit reimbursement guidelines.

NYLA will only reimburse speakers and guests for general sessions and NYLA sponsored events. NYLA Committees, Units and affiliates are responsible for their own conference programs and activities.

C. Financial Guidelines for NYLA Conference:

NYLA provides payment for:

- Insurance
- All printing, including pre-conferencing materials, fliers, registration cards, badges, ribbons, mailing envelopes, return envelopes, and the final conference program
- All conference maintenance personnel, including:
 - Registrars
 - Cashiers
 - Office staff
 - Guards
 - Electricians
 - Porters

- All NYLA mailings to members and non-members
- Equipment rental for general use (computers, copy machine, etc.)
- Rental of all conference space
- Photographer for NYLA sponsored events
- Decorations and Supplies
- Speakers and guests (fees and expenses) for general session and general NYLA-sponsored events only
- Partial payments of exhibit booths for NYLA Sections, Roundtables and Committees
- Designated Committee expenses for the meeting of the Conference Program Committee, Exhibits Committee, and Local Arrangements Committee
- Exhibit hall expenses
- Signs

D. Unit/Affiliate Payment Responsibilities:

Units and affiliates provide payment for expenses related to their conference program: e.g. speakers' fees and overnight accommodations, any audiovisual and/or special equipment and technologies required for a specific program, photographs, and photographer. Rental of additional booth furnishings and/or decorations beyond the drapes and table supplied by NYLA (for NYLA Units only) is done directly through the show decorator from whom each exhibitor will receive catalogs and order forms.

Affiliate organizations may receive a 50% discount on the price of a booth at the NYLA conference. Affiliates may advertise in NYLA publications at regular rates.

E. Complimentary NYLA Annual Conference Registration Policies for Speakers or Guests:

In lieu of monetary reimbursement for registration, NYLA will provide speakers and guest who are attending the NYLA Annual Conference with a complimentary waiver of one day's conference registration fee upon specific request. This policy applies to all speakers and special guests including NYLA members who are speakers and guest.

The complimentary one-day registration allows a speaker or guest to attend any of the conference programs and exhibits scheduled for the day he or she is speaking and to purchase any special event tickets for that particular day.

Speakers who are attending the entire NYLA Annual Conference (registering for full conference registration or package plan registration) will receive a discount on their registration fees equal to the "wholesale" value of a single day registration fee equal to \$55.00.

NYLA and its Units may purchase special events tickets for speakers and special guests.

XIV. UNIT CONFERENCES AND WORKSHOPS

All Units of NYLA that hold conferences and workshops (outside of the NYLA Annual Conference) should consult with the Executive Director during the planning stages to ensure that financial matters are handled according to NYLA procedures and policy. The NYLA Office can provide assistance and advise in many areas, including, but not limited to, contract negotiation, cash handling procedures, printing and insurance.

Each Unit conference or workshop programmer should be familiar with the following NYLA policies and procedures:

Contracts - The Executive Director must review all contracts before they are signed. Units may derive financial

benefits by involving the Executive Director in actual contract negotiations, particularly in geographic areas where NYLA holds Annual Conferences.

Insurance - NYLA liability insurance may be extended to Unit conferences upon request. The Executive Director with Council approval must contract for all insurance policies for NYLA and its Units. See Section VIII. Insurance.

Bank Accounts – No ancillary bank account may be opened by NYLA Units. Conference and event income and expenses are to be processed through the appropriate procedures as defined in this manual.

Financial Reports - Several types of financial reports are required of NYLA by local, state and federal government agencies including those related to sales tax revenue, speakers' fees and donations. The Executive Director is responsible for the filing of these reports. It is the Unit's responsibility to ensure that accurate information is provided to the NYLA Office in a timely manner for reporting to the appropriate government agencies.