

# LIBRARY BULLETIN

## AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY STATE BOARD OF ACCOUNTS

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### UPCOMING TRAINING OPPORTUNITY

The 2021 Annual Public Library Budget Workshop will be held on May 27 and June 2, so please be sure to sign up for one of those dates. We will have important information for you regarding Phase II of the Enhanced Regulatory Basis of Accounting, new legislation, and more! Please contact the Indiana State Library to register.

### CARES GRANT REIMBURSEMENT RECEIVED IN 2021

If your library incurred expenses in 2020 which were reimbursed in 2021, you will first receipt the CARES reimbursement into the CARES Grant Fund. You will then transfer the reimbursed amount to the unappropriated cash balance of the fund(s) which originally incurred the expense in 2020. Your CARES grant fund should then have a zero balance. This is similar to the procedure used to correct an error from a prior year.

### CAPITALIZATION POLICY

The library board must have a written policy concerning capital assets that includes at a minimum, the threshold at which an item is considered a capital asset.

### **ELECTRONIC PAYMENTS FROM THE LIBRARY**

IC 36-12-3-16.5 allows a library board to adopt a resolution to authorize an electronic funds transfer method of payment of claims. If the library board adopts a resolution under IC 36-12-3-16.5, the library may pay money from its funds by electronic funds transfer. The payment must comply with all other requirements of the payment of claims by the library.

The term “electronic funds transfer” means “any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.”

### **ELECTRONIC PAYMENTS TO THE LIBRARY**

IC 36-1-8-11.5 allows the library board to authorize the library to accept various payment methods, including electronic payments. This authorization should be documented by resolution.

A payment to a library for any purpose may be made by any of the following financial instruments that the library board authorizes for use: (1) Cash. (2) Check. (3) Bank draft. (4) Money order. (5) Bank card or credit card. (6) Electronic funds transfer. (7) Any other financial instrument authorized by the library board. The term “credit card” means a credit card, debit card, charge card, or stored value card.

If there is a charge to the library for the use of a financial instrument, the library may collect a sum equal to the amount of the charge from the person who uses the financial instrument.

If authorized by the library board, the library may accept payments under IC 36-1-8-11.5 with a bank card or credit card under the procedures set forth. However, the procedure authorized for a particular type of payment must be uniformly applied to all payments of the same type.

The library may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if there is a vendor transaction charge or discount fee, whether billed to the library or charged directly to the library’s account, the library may collect from the person using the card either or both of the following: (1) An official fee that may not exceed the transaction charge or discount fee charged to the political subdivision or municipally owned utility by bank or credit card vendors. (2) A reasonable convenience fee: (A) that may not exceed three dollars (\$3); and (B) that must be uniform regardless of the bank card or credit card used.

The fees described in (1) and (2) may be collected regardless of retail merchant agreements between the bank and credit card vendors that may prohibit such fees. These fees are permitted additional charges under IC 24-4.5-3-202. (g)

The library may pay any applicable bank card or credit card service charge associated with the use of a bank card or credit card under this subsection.

**PAYMENT OF CLAIMS IN ADVANCE OF BOARD APPROVAL**

Per IC 36-12-3-16, the library board may authorize, by resolution, that claim payments be made in advance of library board allowance for any of the following types of expenses:

- (1) Property or services purchased or leased from the federal government or the federal government's agencies and the state, the state's agencies, or the state's political subdivisions.
- (2) Dues, subscriptions, and publications.
- (3) License or permit fees.
- (4) Insurance premiums.
- (5) Utility payments or connection charges.
- (6) Federal grant programs where: (A) advance funding is not prohibited; and (B) the contracting party posts sufficient security to cover the amount advanced.
- (7) Grants of state funds authorized by statute.
- (8) Maintenance and service agreements.
- (9) Legal retainer fees.
- (10) Conference fees.
- (11) Expenses related to the educational or professional development of an individual employed by the library board, including: (A) inservice training; (B) attending seminars or other special courses of instruction; and (C) tuition reimbursement; if the library board determines that the expenditures under this subdivision directly benefit the library.
- (12) Leases or rental agreements.
- (13) Bond or coupon payments.
- (14) Payroll costs.
- (15) State, federal, or county taxes.
- (16) Expenses that must be paid because of emergency circumstances.
- (17) Expenses incurred to advertise and promote the programs and services of the library.
- (18) Other expenses described in a library board resolution.

The library board shall review and allow the claim at the library board's first regular or special meeting following the payment of a claim under this section.

Each payment of expenses lawfully incurred for library purposes must be supported by a fully itemized invoice or other documentation. The library director shall certify to the library board before payment that each claim for payment is true and correct. The certification must be on a form prescribed by the state board of accounts.