

Funds Transfer Information Policy for the Library

I. Policy Statement

The purpose of this policy is to establish clear guidelines and procedures for the secure and accurate transfer of funds to and from the library. This policy ensures compliance with all relevant financial regulations, protects library assets, and maintains transparency in financial operations. All funds transfers will be conducted in a manner that prioritizes security, efficiency, and accountability.

II. Scope

This policy applies to all library staff involved in the initiation, approval, processing, or reconciliation of funds transfers. It covers all types of fund transfers, including but not limited to, payments to vendors, receipt of grants, inter-departmental transfers, and donations.

III. Definitions

- **Funds Transfer:** Any electronic movement of money from one account to another.
- **Authorized Signatory:** An individual officially designated by the library to approve financial transactions (e.g. Board President or Treasurer).
- **Recipient:** The individual or entity receiving the transferred funds.
- **Originator:** The individual or department initiating the funds transfer request.
- **Financial Management System (FMS):** The software or system used by the library for managing financial transactions.

IV. General Principles

1. **Authorization:** All funds transfers must be properly authorized by the Director of the Library. Any large purposes over \$5000 must be approved by the Board of Trustees prior to purchase.
2. **Accuracy:** The originator is responsible for ensuring the accuracy of all funds transfer details, including recipient information, account numbers, and amounts.

3. **Security:** All funds transfers will be conducted through secure channels and in accordance with established security protocols to prevent fraud and unauthorized access.
4. **Documentation:** Comprehensive records of all funds transfers, including supporting documentation, will be maintained as per the library's record retention policy.
5. **Segregation of Duties:** Duties related to initiating, approving, processing, and reconciling funds transfers will be segregated to minimize the risk of error or fraud.

V. Procedures for Funds Transfers Outgoing

A. Initiation of Transfer Request

1. The originator will document the following information in our online accounting system, providing all necessary details, including:
 - Recipient Name and Bank Details (Account Number, Routing Number/SWIFT Code)
 - Amount to be transferred
 - Purpose of the transfer
 - Supporting documentation (e.g., invoice, contract)
 - Requested transfer date.

The originator will retain all documents to provide details of the transaction.

B. Approval Process

1. The supervisor will review the request for accuracy, completeness, and adherence to budget allocations.
2. If approved, the supervisor will forward the request to the operating budget.
3. Transfers exceeding a specified threshold (e.g., \$5,000) may require additional levels of approval as per the library's financial policies.

C. Processing the Transfer

1. Upon approval, the designated finance staff member will process the funds transfer using the FMS.
2. Verification of recipient bank details will be a mandatory step before initiating the transfer.
3. A unique transaction reference number will be generated for each transfer. (Cheryl?)

D. Confirmation and Reconciliation

1. The director will obtain confirmation of the successful transfer from the bank or FMS.
2. The director will reconcile the transfer with the library's financial records on a regular basis (e.g., weekly, monthly).
3. Any discrepancies will be investigated and resolved promptly.

VI. Procedures for Funds Transfers Incoming

A. Notification of Incoming Funds

1. Departments expecting incoming funds should notify the director in advance, providing details such as the expected amount, source, and purpose.
2. The director will monitor bank statements and the FMS for incoming funds.

B. Identification and Allocation

1. Upon receipt of funds, the director will identify the source and purpose of the funds.
2. The funds will be allocated to the appropriate budget codes or accounts.

C. Confirmation and Documentation

1. The director will provide confirmation of receipt to the relevant department.
2. All incoming funds will be properly documented and reconciled with financial records.

VII. Security Measures

1. **Dual Control:** For high-value transfers, a dual control mechanism will be implemented, requiring board and board treasurer approval.
2. **Secure Systems:** All funds transfers will be conducted through secure and encrypted financial systems.
3. **Regular Audits:** Internal and external audits will be conducted regularly to review compliance with this policy and identify any vulnerabilities.
4. **Employee Training:** Staff involved in funds transfers will receive regular training on fraud prevention, security protocols, and policy updates.

VIII. Record Retention

All documentation related to funds transfers, including request forms, approval emails, bank confirmations, and reconciliation reports, will be retained for a period of three years for hard copies and ten years digitally, in accordance with legal and regulatory requirements. Information regarding grants will be retained indefinitely.

IX. Policy Review

This policy will be reviewed bi-annually by the library's financial committee to ensure its effectiveness and compliance with current regulations. Any necessary updates or amendments will be implemented at that time.