

Hinsdale Public Library

Policy on Purchasing and Authority to Spend

Section 1 – Overview

- A. Control of Expenditures: The Board of Library Trustees of the Hinsdale Public Library (“Library Board”) has exclusive authority to establish an annual budget according to state law and Board policies as well as exclusive authority to approve expenditures of all Library funds. The library’s funds are obtained through the Village of Hinsdale’s levy process. The village acts as the fiscal agent for the Library and processes approved payments. No funds may be spent by the Village without prior approval of the Library Board.
- B. Library Funds: Operating funds, capital funds, and other funds (such as bequests or other designated funds) are maintained as separate accounts. Deposits to and expenditures from these Library funds shall be by Library Board approval only.
- C. General Considerations:
 - 1. In general, all supplies, materials, equipment, and contractual or professional services will be included in the working budget.
 - 2. Purchases of same shall be made in accordance with this Policy. Staff requests for equipment, projects or services over a dollar amount stipulated by the director must be presented to the Executive Director or designee for approval.
 - 3. The Executive Director or designee is responsible for determining whether (a) an item is budgeted, (b) adequate funds are available, and (c) the proper purchasing procedures have been followed.
 - 4. All expenditures are reported to the Board of Trustees in monthly Treasurer Reports, with emergency purchases being reported as soon as possible to the Board President.

Section 2 – Purchase Authority; Authority to Spend

- A. Purchases up to \$3,000
 - 1. Purchases in this category typically are day-to-day purchases needed for a job or service.
 - 2. The Administration office will conduct periodic spot price checks and surveys to ensure quality and economy, i.e. aiming to receive the best usable products at the lowest prices.
 - 3. All procedures for obtaining, receiving, and posting of bills will be developed by the Executive Director or designee, with department heads being responsible for all purchase requests made by their staff. The Executive Director, or designee, will also work in conjunction with accounting procedures developed by the Village of Hinsdale.

4. Authority to Spend:
 - a. The Executive Director is authorized to spend up to \$3,000 on any single item without prior approval of the Library Board.
 - b. The Executive Director, or designee, is also so authorized to pay all budgeted expenditures (invoices, warrants, vouchers, and personnel expenses) and all invoices for contracts and agreements previously approved by the Library Board up to \$3,000.

- B. Purchases in Excess of \$3,000 but Less than \$20,000:
 1. Authority to Spend:
 - a. The Executive Director, or designee, is authorized to pay without further approval of the Library Board all budgeted expenditures (invoices, warrants, vouchers, and personnel expenses) and all invoices for contracts and agreements previously approved by the Library Board.
 - b. All other expenditures require the approval of the Library Board.
 2. Every effort shall be made to secure at least three price quotations before selecting a vendor. The requesting departments shall obtain these quotations.
 3. In the event a department head believes a purchase should be made from a certain vendor rather than through price quotations, the department head must submit a written rationale to the Executive Director, or designee, stating the reasons for the vendor preference. The Executive Director, or designee, must approve such requests in advance.

- C. Purchases in Excess of \$20,000:
 1. The Library may spend in excess of \$20,000 only after a competitive bid process as prescribed by applicable law.
 2. If doubt exists as to whether a competitive bid process is required, the Library Attorney shall be consulted.
 3. In certain circumstances, the best interests of the Library may be served by a purchase from a certain vendor even if the amount of the purchase exceeds \$20,000. In such cases, the Library Board may waive compliance with the competitive bid process.

- D. Petty Cash: The Administration department is responsible for the petty cash fund, which is not to exceed \$500.

- E. Purchases of a Repetitive Nature: It may not be practical to obtain competitive price quotations for certain purchases which are repetitive in nature. Periodic spot price checks and surveys by the executive director or designee are required to ensure quality and economy.

- F. Emergency Purchases: In case of emergency, the Executive Director, or designee, may spend up to \$20,000 for any unbudgeted expenditures with the approval of either a Standing Committee or any two Officers of the Library Board.

Section 3 – Joint Purchasing

- A. General Considerations: Joint purchasing is encouraged to achieve economies of scale. Examples of such partnerships are listed below.
- B. State Purchasing:
 1. Certain items are annually let for bid by the Procurement Division of the State of Illinois or other units of State government (such as regional library systems).

Units of government may avail themselves of these bid prices. Purchasing through state purchasing contracts may be allowed without a competitive bid process even if a purchase exceeds \$20,000.

2. Unbudgeted purchases in excess of \$20,000 require approval of the Library Board.
 3. The Administration department shall keep a complete file on all state purchasing contracts, complete with specifications and prices. The Executive Director, or designee, must approve any such state purchases.
- C. Cooperative Purchasing: The Library may join with other units of government in securing price quotations and letting bids. Periodic checks should be made to ascertain prices paid by other units of government. If a neighboring library or regional library system is contemplating the bidding of an item which will be bid by the Library, the Library will investigate appropriate economies of scale.

Section 4 – Maintenance / Service Contracts

- A. Maintenance /service contracts are made periodically for essential services. All such contracts, when first proposed, will be reviewed by the Committee on Facilities and require the approval of the Library Board.
- B. As maintenance /service contracts expire, the contracts may be renewed in the discretion of the Executive Director, or designee, provided that each contract shall be reviewed by the Committee on Facilities in a three-year cycle or more frequently as circumstances dictate.

Section 5 – Local Vendors

When securing price quotations, department heads shall solicit quotations from qualified local vendors. If the price and terms between two or more qualified vendors are equal, vendors located in Hinsdale shall rate preference.

Section 6 – Authorized Signatures; Authority to Sign Checks

- A. All checks require two authorized signatures. Authorized signatures include those of the President, Treasurer, and Executive Director.
- B. The Village of Hinsdale, through an intergovernmental agreement, produces checks needed for the Library to pay its obligations. Checks are signed by two of the authorized signers. Checks are signed in person or by means of an official stamp. Checks are subject to ratification by the Library Board at the Library Board's next regular meeting.
- C. A register of all checks (including voided checks) shall be available for inspection by the Library Board if requested. The Treasurer will submit a monthly financial report to the Library Trustees.