

Hinsdale Public Library

Purchasing and Authority to Spend Policy

Overview

- A. **Control of Expenditures:** The Board of Trustees of the Hinsdale Public Library (“HPL”) has exclusive authority to establish an annual budget and to approve expenditures of all HPL funds. HPL’s funds are obtained primarily through the Village of Hinsdale’s levy process. The Village of Hinsdale acts as the fiscal agent for HPL and processes approved payments. No funds may be spent by the Village without prior approval of the HPL Board.
- B. **Library Funds:** Operating funds, capital reserve funds, and other funds (such as bequests or other designated funds) are maintained, as allowable, as separate accounts. Deposits to and expenditures from these HPL funds shall be by HPL 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 Executive Director must be presented to the Executive Director or designee for approval.
 3. The Executive Director, or the designee of the Executive Director, 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 HPL Board in monthly Treasurer Reports, with emergency purchases being reported as soon as possible to the Board President and Treasurer.
 5. HPL procures services and products and manages payment in accordance with all applicable laws.

Terms

- **Budgeted Expense:** Expenses that fall within the amount budgeted within a specific budget line.
- **Unbudgeted Expense:** Expenses that exceed what was budgeted within a specific budget line.

Hinsdale Public Library

Purchasing and Authority to Spend Policy

Purchase Authority; Authority to Spend

A. Purchases (Budgeted or Unbudgeted) up to \$5,000

1. Purchases in this category are typically routine purchases of materials, supplies and services.
2. The Executive Director is authorized to spend up to \$5,000 on any single item or service without prior approval of the HPL Board.

B. Budgeted Purchases

1. The Executive Director or designee is authorized to pay all budgeted expenditures (invoices, warrants, vouchers, and personnel expenses) and all invoices for contracts and agreements previously approved by the Board.
2. Procedures for obtaining quotes or bids depend on the dollar amount involved and applicable laws.
3. The Business Manager, Administration Assistant and IT & Facilities Manager 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.
4. All procedures for obtaining, receiving, and posting of bills will be developed by the Executive Director, with department managers being responsible for all purchase requests made by their staff. The Executive Director, or designee, will work in conjunction with accounting procedures developed by the Village of Hinsdale.

C. Purchases in Excess of \$5,000 but Less than \$20,000:

1. Purchases in this category are typically furniture, technology, or services.
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. If a department manager believes a purchase should be made from a certain vendor rather than through price quotations, the department manager must submit a written rationale to the Executive Director stating the reasons for the vendor preference. The Executive Director must approve such requests in advance.
4. If unbudgeted, such purchases will need the prior approval of the HPL Board.

D. Purchases in Excess of \$25,000:

1. In accordance with Chapter 75 ILCS 5/5-5 and except as otherwise provided, all purchase orders or contracts for products and services in excess of twenty five thousand dollars (\$25,000) shall be awarded after an open, competitive bidding process.

Hinsdale Public Library

Purchasing and Authority to Spend Policy

2. In certain circumstances, the practical interests of HPL may be served by a purchase from a certain vendor (e.g., limited or single vendor pool) even if the amount of the purchase exceeds \$25,000. In such cases, the HPL Board may waive compliance with the competitive bid process, unless required by law.
 3. If doubt exists as to whether a competitive bid process is required, HPL's attorney shall be consulted.
 4. If unbudgeted, such purchases will need the prior approval of the HPL Board.
- E. **Petty Cash:** The Administration department is responsible for the petty cash fund, which is not to exceed \$500. Funds will spent in accordance with this policy.
- F. **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 will be conducted to ensure quality and economy.
- G. **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 HPL Board.
- H. **Prevailing Wage:** HPL conducts all applicable work in accordance with the Prevailing Wage Act, 820 ILCS 130.

Joint Purchasing

HPL shall have the authority to join with other units of local government in cooperative purchasing plans when the best interests of the Library would be served thereby. HPL may also participate in the Illinois Joint Purchasing Program pursuant to 30 ILCS 525.

Maintenance / Service Contracts

- A. Maintenance /service contracts are entered into periodically for essential services. All such contracts, when first proposed, require the approval of the HPL Board. Contracts pertaining to the building—custodial, landscaping, painting, HVAC, etc. will first be reviewed by the Facilities Committee and then referred to the HPL Board for approval.
- B. As maintenance /service contracts expire, the contracts may be renewed at the discretion of the Executive Director provided that each contract is reviewed by the Facilities Committee in a three-year cycle, or more frequently as circumstances dictate.

Hinsdale Public Library

Purchasing and Authority to Spend Policy

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 HPL 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 reviewed by a member of the Library Board prior to payment and are subject to ratification by the HPL Board at their next regular meeting.
- C. A register of all checks (including voided checks) shall be available for inspection by the HPL Board if requested. The Treasurer will review and submit a monthly financial report, prepared by the Village of Hinsdale as the Library's fiscal agent, to HPL Trustees.

Hinsdale Public Library Board of Trustees

Approved and Adopted by Library Board November 2010.

Revised 11/27/12, 6/28/16, 04/26/22.