

## BP 3115 - Materiality Policy

### Trustees Directive

Whereas, IC5-11-1-27(j) requires erroneous or irregular material variances, losses, shortage, or thefts of political subdivision funds or property shall be reported immediately to the State Board of Accounts; and

Whereas, State Examiner Directive 2015/16 directs each political subdivision to determine its own policy on materiality; and

Whereas, the Hammond Public Library does not condone any erroneous or irregular material variances, losses, shortages or thefts of political subdivision funds or property but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts;

Now, therefore, I René L. Greenleaf, Executive Director of the Hammond Public Library and the Board of Trustees do hereby direct as follows (with the explanation of substantial loss being greater than \$2,000.00) do direct:

- 1) All substantial erroneous or irregular variances, losses, shortages, or thefts of the Hammond Public Library funds or property or funds or property of which the Library holds in trust, shall be reported by the Executive Director to the Board of Trustee or their designated executive committee.
- 2) It will be the policy of the Secretary of the Board of Trustees to report to the State Board of Accounts any substantial erroneous or irregular variances, losses, shortages or thefts of cash in excess of \$500.00, except for inadvertent clerical errors that are identified and are timely and promptly corrected with no loss to the Library.
- 3) It will be the policy of the Trustee Board to report promptly to the State Board of Accounts any substantial erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of \$1,000.00 estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified and are timely and promptly corrected with no loss to the Library, except for losses from genuine accidents.
- 4) All Library Board Members are asked, and all Library Employees and agents are directed to comply with this policy as outlined in our Resolution to Establish Internal Controls as the Board of Trustees endorses it.
- 5) Any patron who creates substantial loss, theft, damage and/ or destruction to library material or property, shall be reported to the Executive Director and the Board of Trustees of the Hammond Public Library. They in turn, shall report such offenses to the proper authorities.
- 6) Any patron in excess of the maximum of charges assessed for library fines/fees shall be submitted to the collection agency for resolution.