

**ST. CLAIR COUNTY LIBRARY BOARD OF TRUSTEES SPECIAL MEETING  
MINUTES  
Discussion on Financial Report**

TIME & PLACE: 6:00 p.m. Tuesday, January 16, 2001  
210 McMorran Boulevard, Port Huron, MI Gilbert-Wilcox Meeting Room

PRESENT: BOARD MEMBERS: Lynn Moran, Dr. Fred Nowland, Carol Plemmons and Sherrlene Snyder. LIBRARY DIRECTOR: James Warwick

ABSENT: None

ALSO PRESENT: Administrative Services Secretary, Kimberley Radatz; Library Assistant II, Kathleen Wheelihan and Deputy Controller, Robert Kempf

I. CALL TO ORDER AND ATTENDANCE BY Chairperson Nowland at 6:00 p.m. All members present. Moved by Vice-Chairperson Snyder and supported by Member Plemmons to adjourned to the Committee of the Whole. Motion unanimously carried.

Brief discussion was given on the following questions by Bob Kempf:

Brief understanding of the Financial Report (Income & Expense Report).  
The report reflects the budget year to date or by month, this report is a standard report provided by Bi-tech. These reports are requested by dates and reflect total expenses and total revenues and replaced the old green bar report.

At what time does these figures show up on this report (when the invoice is paid or entered into the system etc)?  
Neither, when invoices are entered into the system and review/approved then the batches are posted by the County. At this time they are reflected on the report (Invoices can be batched and posted at anytime). Batches are run at the County at intervals of five to ten days.

Brief understanding of revenue account descriptions.  
Current Property tax-extra voted – revenue provided by the Millage (divide the generated income by the projected income and it will give you the % generated located beside the generated income. The % will either be under or over the amount projected).  
Appropriation Transfer In – In the future the revenue will be transferred to the account on a monthly basis while currently it is done once a year.

Revenue is processed by the Treasurers Office; Bob makes corrections to the revenue.

What is the procedure of making corrections or updates to this report?  
If a discrepancy is located, a note is sent to Bob Kempf including what line item it should have been charged to including object number and the incorrect line item with the object number.

What is balance: (located at the bottom under the Org Key Total, both Millage and Regular reports)?  
Income generated deducting the Expenses expended.

Simple understanding of the payable process with invoices (how invoices are paid).  
Generally the County receives invoices and if a purchase order is not issued the invoice is forwarded to the Library for a voucher to be attached including an authorized signature. These invoices are date stamped on a daily basis and also when they are forwarded to the departments and again once the department sends the invoice back again for payment. If the Library receives the invoice, either a voucher is attached or a purchase order number is issued then forwarded to the county for payment. If a purchase order number is issued and an invoice is received, it is forwarded with any packing slips then both matched and then paid. Ten-day turn around from the time the invoice is received at the County paid.

Can we tell what is encumbered?

Currently no, but once the purchase order is online an encumbered figure will be available. In approximately 1 year when Bi-Tech is in place the Library would be able to see what is or has been encumbered.

If you take a grand total from both reports would they balance? Yes.

The report dated December 31, 2000 is this the Library's year-end report.  
No

When are the invoices actually paid?

The day the check is written. Currently the County has a ten-day turn around.

How will the Income & Expense Report (budget) change when the auditors come in?

What is the process when the auditors come in and how does it have an effect on the budget?

When the Auditors come in, they will ask to see all invoices over a certain dollar amount between January 1 through March. At this time they review these invoices to see what belongs back into last years budget. Then an audit entry (done in July) is done if a correction is required. Something new for this year is that the Auditors will be posting all their journal entries into a 13-month calendar. Once the (field work) accounts payables and accounts receivable have been posted in the 13 month report, the departments can request a 13 month report this report will give you the exact figures of what the auditors did. Auditors also look to see what has been spent in December to see if it was something in the future.

When are the corrections complete and a final audit report available?

Final numbers will be in May after the final fieldwork has been completed such as accounts payables and accounts receivable posted by the auditors.

In January will the Library have some type of clear understanding of what has been spent in 2000?

No, the auditors will not yet at this time reviewed the payables area (at least three months). Referring and calculating the data from the January's activity report then manually compiling a spread sheet taking the Income & Expense report then adding the Accounts payables.

Is there a policy or time frame on adjusting line items?

Once a year.

Departments cannot move funds from personnel to purchases or purchases to personnel. The County is trying to change this (Performance Base Budgeting), as long as you don't go over your budget you may cross the line items.

How does the County handle invoices that should be paid in 2000 and not received in 2001?

When is the cut off when these invoices can be paid out of the appropriate budget year?

There is not a cut off date.

Future changes and what to expect for the future?

Encumbered system. Being able to encumber expenses

On-line purchase ordering and approving payroll

Click drag and drill (reports)

Invoices will be scanned into the system including other paper work if applicable, this will help prevent documents from being lost and processed quicker

Training scheduled for February

County has modules that we have not used yet (used only 10% of the system)

Customizing reports

Noted on the Paid Voucher List, "Unpaid" what would cause this to happen?

Posted but check has not been cut.

Understanding of “Reversed” (noted on last page of the Paid Voucher List).

Caused by voided checks due to wrong address codes for vendors and or formatting of checks etc.

(Hit line items but came right back out)

On the Financial report how and what is generated %: When you divide the generated income by the projected income you will get the percentage of income of what has been received.

When can we get a credit card?

When the County adopts a policy.

May call the County to have them set up an account with the hotel for conferences or direct and or employee reimbursement.

Will the auditors have problems?

Absolutely, and expects problems for the next three years.

Director Warwick thanked Bob Kempf for attending tonight’s meeting.

II. ADJOURNMENT: Moved by Vice-Chairperson Snyder and supported by Member Plemmons to adjourn meeting. Motion unanimously carried. Adjourned at 7:05 p.m.

Respectfully Submitted:

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Dr. Fred L. Nowland, Chairperson

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James F. Warwick, Secretary/Director