



3612 Kutztown Rd  
Reading PA 19605

## **Anti-Fraud Policy**

### **Purpose:**

Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting. As a non-profit entity and as a receiver of public funds, the Muhlenberg Community Library is committed to being proactive in order to prevent, deter, and detect fraud.

Key participants in this effort include the Board of Trustees, the Treasurer, the Library Director, and the Auditor. The Director is responsible for designing and implementing systems and procedures for the prevention and detection of fraud and, along with the Board of Trustees, for ensuring a culture and environment that promotes honesty and ethical behavior.

**Therefore**, the Board of Trustees of the Muhlenberg Community Library adopts the following policy:

### **Responsibilities of the Board of Trustees**

1. Creating a culture of honesty and ethical behavior that communicates acceptable behavior to all employees and volunteers.
2. Development of personnel policies that clearly defines consequences of fraudulent activities
3. Provide a means for employees to seek advice about legal or ethical matters and to report on a confidential basis any actual or suspected wrongdoing.
4. Investigate any reports of misconduct
5. Responsible for choice of auditing firm
6. Oversight of monthly and annual financial reports
7. Set salaries and employee benefits
8. Stewardship of assets, both public funds and donations.

### **Responsibilities of the Treasurer**

1. Manage library funds
2. Monitor income and expenditures
3. Evaluate unusual or unexplained fluctuations in income or expenditures
4. Prepare and present monthly and annual financial reports
5. Authorized signature for all accounts, including safe deposit box.
6. Prepare budgets along with Library Director
7. Assure that county and state requirements are met for local effort and expenditures
8. Maintain working relationship with Library Director
9. Review petty cash, checking, money market, and capital fund reconciliation reports.
10. Appoint and meet regularly with the Financial Committee
11. Prepare salaries and personnel benefits and present to Board of Trustees for approval
12. Attend meetings of the Board of Trustees of Berks County Public Libraries
13. Maintain working knowledge of state budgets and legislation pertaining to public libraries.
14. Review annual audit and consult with auditor
15. Evaluate risks of fraud
16. Stewardship of assets, both public funds and donations

### **Responsibilities of Library Director**

1. Reports to Treasurer on all financial matters
2. Responsible for meeting budget guidelines
3. Monitor income and expenditures
4. Prepare preliminary budget for Treasurer
5. Purchasing
6. Verification of orders received versus purchase orders



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7. Develop, maintain and train volunteers and staff in use of database to record petty cash transactions
8. Monthly reconciliation of petty cash database with petty cash funds
9. Responsible for security of funds in the library
10. Reconciliation of Berks County Public Libraries Escrow Account, checking, money market and capital funds accounts
11. Maintain financial accounting software, print checks
12. Periodic backup and off-site storage of financial accounting software, petty cash database and membership database
13. Hiring, training and supervision of personnel including child abuse and criminal background checks
14. Prepare reports and all materials requested by auditors for annual audit
17. Assure that county and state requirements are met for local effort and expenditures
18. Maintain working knowledge of state budgets and legislation pertaining to public libraries.
15. Preparation of all reports required by state and county in required timeframe
16. Prepare annual reports for dissemination to the public, both print and web-site
17. Presentations, including financial reports, to townships and community organizations
18. Stewardship of assets, both public funds and donations

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Adopted by Board of Trustees 3/12/2007  
Reviewed by Board of Trustees 11/13/2023