

Executive Director Report – July 2024

RSA Banking and Online Payment Vendor Accounts

- Morton Community Bank
 - Combined Checking & ICS (Insured Cash Sweep) accounts which function as a single account:
 - Account 1, the checking account, automatically resets to a \$10,000 balance each morning.
 - Account 2, the insured cash sweep account, spreads the rest of RSA's working cash balance across several banks to maintain full FDIC coverage. The overall account acts as one single account with a single balance.
 - The accounts work together to ensure the checking account balance is \$10,000 at the end of the day by moving any money over or under that level between accounts.
 - CDARS (Certificate of Deposit Account Registry Service) accounts: Each account has been opened with a balance of \$300,000. These are renewed for the entire balance and interest on maturation unless the Board decides to reclaim the funds to the working cash account. Depending on interest rate trends, we renew them for anywhere between 3 months and 2 years. Ideally, assuming better rates of return, they are laddered to mature over a 2 year period. All balances are fully FDIC insured by spreading the cash among several banks. This is RSA's long-term savings. RSA currently has 10 separate accounts.
 - Credit Cards: RSA has a single combined credit card account with 4 staff cards issued to supervisors (Kendal, Erica, James, and Antony). The full balance is paid each month and the account pays RSA a small amount of cash quarterly which is deposited into the checking account.
- ProPay
 - RSAcat and RSAcat Mobile Online payments are via ProPay's credit card processing system. RSA has a single ProPay merchant account to collect all online payments. RSA staff process online payment twice a year, in January and July. In the January processing, checks are sent to libraries with \$10 or more in accumulated cash. The July processing pays all libraries any fund remaining for the July – June period regardless of amount. RSA staff break the online payments out the same way circ desks are supposed to. Checks are generally ready to send to members in August and February.

Notes for the Board Financials Document

- Cash Report (page 1)
 - Consolidated wrap-up of the money in each of the accounts listed above
 - Overall balances and months of operations covered by working cash and CDARS accounts
- Balance Sheet (page 2)
 - RSA's overall monetary position including assets
- Statement of Revenues and Expenses (pages 3 & 4)
 - Incoming and outgoing money broken down by the GL's in the budget
 - Includes monthly spending for indicated timeframe at top of page and TYD in actual dollars and percent of budgeted income and expenses
- Check/Voucher Register (page 5) – Consent agenda Check Register item
 - Itemized listing of all outgoing checks or transactions.
 - Most of RSA's expenses are currently paid via the credit cards

Update on FY24 RAILS LLSAP Grant End of Year “True-up”

At the end of each FY, RAILS finance reviews all actual expenses incurred by RSA during the year and matches them up with the estimated expenses outlined in the annual RAILS LLSAP Support Grant.

RAILS finance has completed the FY24 “True-up” process. Some years RSA owes RAILS additional money at the end of the grant period, usually for personal expenses. Other years RAILS returns money to RSA for underspending for the estimated amount. This year RAILS will send us a check for \$16,214.78. This is primarily due to RSA having an open position on staff March – June.

Why does RAILS do this process? The grant is issued before either the RAILS or RSA budgets are completed, and many actual costs are unknown. RAILS bases their cost estimates on the previous FY baseline then increases or decreases line-item expenses based on the best guess of RAILS and RSA staff.

When the grant is awarded in the fall, the amount over the grant award RSA ‘spends’ on RAILS provided staffing and services is divided into quarterly payments from RSA to RAILS. Once RSA has directly hired staff, their cost will be removed from the RAILS budget. This will reduce the RSA cost to RAILS to well below the grant award. When that happens, RAILS will instead send RSA a check for the amount of the grant not incurred by finance support, the RSA portion of the East Peoria building and a few other minor expenses.