

## **Jasper County Public Library Materiality Policy**

IC 5-11-1-27(j) requires erroneous or irregular material variances, losses, shortages, or thefts of political subdivision funds or property shall be reported immediately to the State Board of Accounts, and the State Examiner Directive 2015-6 directs each political subdivision to determine its own policy on materiality.

The Board of Trustees of the Jasper County Public Library does not condone any erroneous or irregular material variances, losses, shortages, or thefts of Library funds or property, but recognizes that relatively small items may not justify the cost of the involvement of the State Board of Accounts.

The Library Board establishes a policy regarding materiality and the process for reporting material items as follows:

1. All erroneous or irregular variances, losses, shortages, or thefts of Library funds or property, or funds or property the Library holds in trust, shall be reported to the Library Director or Treasurer.
2. It is the policy of the Library Director and Treasurer to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of cash in excess of \$500, except for inadvertent clerical errors that are identified in a timely manner and corrected promptly with no loss to the Library.
3. It is the policy of the Library Director and Treasurer to report to the State Board of Accounts any erroneous or irregular variances, losses, shortages, or thefts of non-cash items in excess of \$2000, estimated market value, except for those resulting from inadvertent clerical errors or misplacements that are identified in a timely manner and corrected promptly with no loss to the Library, and except for losses from genuine accidents.

In addition, the Library will adhere to IC 5-11-1-27(l) which requires public officials who have actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets to immediately send written notice of the misappropriation to the State Board of Accounts and the Prosecuting Attorney regardless of the dollar amount. Misappropriation occurs when an employee or in-house contractor of the political subdivision wrongly takes or embezzles public funds or assets.