



BUDGETS AND FINANCE

[Handbook for Library Trustees of New York State](#)

Post-Session Tool Kit for Board Room Discussions

Book Club Reading:

Handbook for Library Trustees of NYS, Budgets and Finance (Page 50 - 58)

Co-Authors Jerry Nichols & Rebekkah Smith Aldrich

Additional Resources:

- *Webinar: Public Library Finance and the Trustee's Fiduciary Responsibilities* (<https://vimeo.com/115021246>)
- Governmental Accounting Standards Board (<http://gasb.org/>)
- Grant Administration, Dormitory Authority of the State of New York (DASNY) (<http://dasny.org/finance/grantadministration.aspx>)
- Investing and Protecting Public Funds [Office of the State Comptroller] (<http://osc.state.ny.us/localgov/pubs/lmg/investingpublicfunds.pdf>)
- Local Government Management Guides [Office of the State Comptroller] (<http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmg>)
- Public Library Districts: An Introduction [New York State Library] (<https://www.nysl.nysed.gov/libdev/libs/pldtools/index.html>)
- Public Library Vote Toolbox [Mid-Hudson Library System] (<http://vote.midhudson.org/>)
- Real Property Tax Cap – Local Governments [Office of the State Comptroller] (<http://osc.state.ny.us/localgov/realprop/localgovernments.htm>)
- Sample Tax Cap Override Resolution Language [New York Library Association] (http://nyla.org/images/nyla/files/Sample_Tax_Cap_Override_Resolution.pdf)
- State Aid for Library Construction Program [New York State Library] (<https://www.nysl.nysed.gov/libdev/cp/index.html>)

<https://youtu.be/CswmXU14nLY>

Post-Session Questions & Activities for the Board Room

The questions in this section are intended for trustees and their directors to discuss before or after a board meeting once they have read Budgets and Finance of the Handbook, or watched the Live Event Recording.

1. Developing a written annual budget is instrumental to realizing strategic planning goals. Together as a board, discuss the process, timeline and people involved in creating your library's budget. How do trustees make certain the goals within the library's strategic plan are achieved through the budget? What areas of the budget, in addition to personnel costs, are most important to library staff to deliver quality services?
2. How many funds does your library manage? Take this time to review your financial statements, and identify where each fund is represented on the statements. Can you determine the balances for (1) Operational funds, (2) Capital funds or (3) Endowment funds? Review your reserve fund policies and ensure how or when these funds can be used to support the library.
3. In addition to reviewing and approving financial transactions at each board meeting, trustees should develop a method where one or more trustees inspect monthly bills on the board's behalf. Please ask one trustee to read aloud the *Audit and Control of Funds* section of the Trustee Handbook on Page 52. Does your board have a similar practice in place? Discuss how it is similar and different.
4. Competitive bidding is a responsible and best practice for all libraries. It ensures your library is obtaining supplies and materials in an economic, transparent and equitable fashion. Take a moment to review your library's Procurement Policy, which is required by NYS competitive bidding statutes. Is the policy current? Does it apply to current practices? Is everyone in the organization responsible for purchasing aware of it?
5. How often does your library receive an external audit? Audits provide many benefits, some of which include: ensure accuracy of financial records, review and improve practices, illustrate financial health. What are other benefits of a financial audit? List 5 reasons why the library board should have an annual external audit.
6. Library funding is one of nine board responsibilities. Most libraries have in place (or should have in place) a public vote that decides how much money the library is appropriated annually through their funding district. As a board, identify the exact amount your library secured in public tax dollars by way of public vote on your last referendum. Is this amount adequate based on your current year's budget? How will your board address any shortfalls in the next

budget year? Visit this website if your library does not have a public vote:

<https://www.nysl.nysed.gov/libdev/libs/pldtools/index.html>

7. All libraries that receive funding by way of public vote must file a Property Tax Cap Form annually. This form is filed through the State Comptroller's Office and subject to inspection. Discuss instances where it might be appropriate to override the Tax Cap. What steps should you take to file this override? Does your library pass an override with 60% trustee approval? How do you inform your community why this measure is needed?
8. General Municipal Law is specific about how all funds of public libraries must be invested. Refer to Page 56 of the Trustee Handbook to review the three limited financial vehicles of library investment. Once reviewed, discuss within your board local strategies for how your library can accept and invest private funds through ethical and legal practices.
9. The Handbook lists different ways a library can secure funds for building projects. What resources does your library have available based on The Handbook's suggestions? List 5 ways your library can partner and entrust fundraising. Following this exercise, delegate one person of the board to contact your public library system to learn about NYS Public Library Construction Aid as well as other state or federal sources for capital projects.