Budget Planning for the Public Library Director

WV Public Library Boot Camp

September 9 - 11, 2013

Budget Planning for the Public Library Director

1. **Goal of Budgeting**

2. **Budget Development Process**

3. **Sources of Library Funding**

Budgeting Goal

To plan, develop and manage a financial statement of library revenues and expenditures that will address goals and objectives of the Development Plan.

Budget Development Process

The budget development process should be integrated with the planning and evaluation of library services outlined in the Development Plan.

1. **Perform annual needs assessment**

   ➢ Use your knowledge from past years

   ➢ Statistics you gathered

   ➢ Any new information regarding the community's future plans

2. **Analyze and prioritize activities and services**

   ➢ What activities and services does the library provide?

   ➢ Which activities or services serve the greatest needs of library patrons?

   ➢ Which activities or services are vital in supporting community development?

Budget Development Process

3. Identify revenues and expenditures

> ➢ Contact your funding sources as early as possible regarding revenue earmarked for the library

> ➢ Determine total revenue needed to cover the expenditures from the activities and services priorities list

4. Develop the initial budget

> ➢ Should be completed no later than middle of the prior budget year

> ➢ Prepare a worksheet based on the determined expenditures. List your line item names down the left side and your prioritized activities across the top. This exercise will give you a grand total for each line, but also allow flexibility to make changes within priority areas.

Budget Development Process

		Circulation	Reference	Collection	Cataloging	Children's	Adult Programs
PERSONNEL							
	Salaries/Wages						
	FICA						
	Hospitalization						
	Retirement						
	Unemployment						
	Workers' Comp.						
UTILITIES							
	Electricity						
	Gas						
	Telephone						
	Water						
	Trash						
CONTRACTUAL							
	Insurance						
	Audit						
	Janitoria						
	Equipment Maint						
	Public Relations						
MATERIALS							
	Books						
	Periodicals						
	Audiotapes						
	Videwtapes						
	CD's						
SUPPLIES							
	Office						
	Processing						
	Children's Programming						
FURN/EQUIPMENT							
	Furniture						
	Equipment						
PROGRAMS							
	Children's						
	Adult						
	Outreach						
TRAVEL/CONT. ED.							
	Transportation						
	Lodging/Meals						
	Fees						
HOSPITALITY							
	Food/Entertainment						
TOTALS							

Budget Development Process

5. Evaluate the initial budget

➢ Compare estimated costs to estimated revenues

➢ Make any adjustments

➢ Use the previous year's budget as a comparison

6. Develop the proposed budget

➢ Use all the data collected throughout the development process to prepare the budget

➢ Remember to:
1. Review
2. Make adjustments
3. Finalize

Budget Development Process

7. Develop the budget presentation

- Prepare a formal presentation for the library trustees and/or any other group that should know about the budget plans. Present proposed amounts for each line item and how you arrived at them.

- Provide an overview of what the library wants to accomplish using statistics and examples. Tell about any change in services or activities, acquisitions or other special points of interest.

- Identify and explain any major increases or decreases in funding and expenditures.

- This is the opportunity to address anything that impacted the budget planning process.

Budget Development Process

8. Present the budget

> ➤ Whether it's an informal presentation to the trustees or a formal budget hearing with funding sources, be prepared.

> ➤ Take time up front to find out where it will take place, who will be attending, any particular traditions or expectations involved with the presentation format, and what will happen before and after your presentation.

> ➤ Use visuals to clarify the information. These can consist of handouts or audio visual presentations.

Remember…this is the perfect opportunity to educate the audience on the importance of the library's role in the community!

Budget Development Process

9. Redevelop the budget

➢ Use the information you gather from the budget presentation(s), make any final adjustments to the budget.

10. Obtain final budget approval

➢ At the May or June board meeting, present the final budget for board approval. Once approved, no changes can be made to budget lines without prior board approval. Allow as much flexibility as possible within the budget.

11. On July 1st you will implement and begin managing the budget

➢ Remember…………..managing the budget requires maintaining neat and orderly records of all revenues and expenditures on a daily basis.

		EXAMPLE BUDGET REPORT			
	YTD Budget	**Current Period Expenditures**	**YTD Expenditures**	**Budget Variance**	**% Budget Remaining**
PERSONNEL					
Salaries/Wages	127,726.00	10,260.75	41,043.00	86,683.00	67.87%
FICA	9,768.00	784.95	3,139.80	6,628.20	67.86%
Hospitalization	6,000.00	517.80	2,071.20	3,928.80	65.48%
Retirement	11,499.00	945.42	3,781.68	7,717.32	67.11%
Unemployment	677.00	509.47	509.47	167.53	24.75%
Workers' Comp.	1,527.00	–	–	1,527.00	100.00%
UTILITIES					
Electricity	5,700.00	475.00	1,900.00	3,800.00	66.67%
Gas	1,000.00	83.33	333.32	666.68	66.67%
Telephone	3,600.00	300.00	1,200.00	2,400.00	66.67%
Water	500.00	41.66	166.64	333.36	66.67%
Trash	350.00	29.16	116.64	233.36	66.67%
CONTRACTUAL					
Insurance	5,300.00	441.66	1,766.64	3,533.36	66.67%
Audit	2,500.00	2,500.00	2,500.00	–	0.00%
Janitorial	5,200.00	433.33	1,733.32	3,466.68	66.67%
Equipment Maint	4,276.00	–	–	4,276.00	100.00%
Public Relations	750.00	300.00	300.00	450.00	60.00%
MATERIALS					
Books	46,050.00	2,200.00	8,800.00	37,250.00	80.89%
Periodicals	4,500.00	975.00	3,900.00	600.00	13.33%
Audiotapes	3,000.00	425.00	1,700.00	1,300.00	43.33%
Videotapes	3,250.00	325.00	1,300.00	1,950.00	60.00%
CD's	5,000.00	660.00	2,640.00	2,360.00	47.20%
SUPPLIES					
Office	5,000.00	140.00	560.00	4,440.00	88.80%
Processing	2,050.00	175.00	700.00	1,350.00	65.85%
FURNITURE/EQUIPMENT					
Furniture	500.00	–	–	500.00	100.00%
Equipment	1,000.00	–	–	1,000.00	100.00%
PROGRAMS					
Children's	5,000.00	185.00	740.00	4,260.00	85.20%
Adult	5,000.00	280.00	1,120.00	3,880.00	77.60%
Outreach	2,500.00	400.00	1,600.00	900.00	36.00%
TRAVEL/CONTINUING ED.					
Transportation	400.00	–	–	400.00	100.00%
Lodging/Meals	800.00	–	–	800.00	100.00%
Fees	750.00	–	–	750.00	100.00%
HOSPITALITY					
Food/Entertainment	250.00	22.00	88.00	162.00	64.80%
TOTAL	**$271,423.00**	**$ 23,409.53**	**$ 83,709.71**	**$187,713.29**	**69.16%**

Sources of Library Funding

Appropriations from Governing Authorities
       1.Board of Education
       2.County Commission
       3.Municipality (City or Town)

Donations (Private, Patron, Friends Group, etc.)

Charitable Organizations

Grants

State Agency (West Virginia Library Commission)

Fundraising by the library (Book sales, bake sales, etc.)

Library Services Local Non-Taxable Income (photocopies, fax fees, overdue fees, etc.)

Partnerships with local business

Endowments

Funding from the Library Commission

GRANTS TO PUBLIC LIBRARIES (G-I-A)

- Based on service population at $5.09 (FY 2014) per capita
- Disbursed quarterly in July, October, January and April
- All affiliate funding sent to Service Center

COMMUNITY PARTICIPATION PROJECTS GRANTS

- Need determined by the Legislator and approved by the Governor
- Usually disbursed in last quarter somewhere between April and June
- Funding sent directly to library

LIBRARY SERVICES & TECHNOLOGY ACT (LSTA) GRANTS

- Competitive grant awards determined by Library Commission staff and must meet the priorities determined by the LSTA program
- Disbursed upon receipt of completed grant agreements and required federal assurances and certifications
- Funding sent directly to library

Funding from the Library Commission

END OF YEAR GRANTS

- This category is dependent upon availability of funds at close of the Library Commission's fiscal year
- Successful grant awardees are determined by the Library Commission Executive Secretary and based strictly on critical needs criteria
- Disbursed in June
- Funding sent directly to main library system

SUPPLEMENTAL GRANTS

- Grants disbursed from funds withheld by Library Commission due to non-compliance of Administrative Rule regulations

OTHER SUB-RECIPIENT GRANTS

- Dependent upon grant terms of Library Commission and the Grantor

*****PLEASE REMEMBER*****

END OF YEAR GRANTS SENT TO THE LIBRARY WITH A JUNE 30 DATE ARE ALWAYS INCLUDED IN CURRENT FISCAL YEAR FOR REPORTING PURPOSES IN BIBLIOSTAT (ANNUAL REPORT)