

# FINANCE

## Overview

The Library Governing Authority is to seek and secure funding from public and private sources and monitor these funds in a way that supports the goals in the library's strategic plan. Libraries should have a separate Friends organization and/or Foundation that has a 501(C)3 status that accommodates and manages donations from individuals or foundations. The library is supported primarily by local tax revenues. All fund-raising, grants, and donations shall be considered supplemental to local tax revenue.

Library Districts must follow fiscal procedures consistent with state law in preparing, presenting, and administering its budget. Audits are essential. All libraries should have a financial plan. (See resources after checklist for a sample.) Libraries should ensure that they maintain insurance that is adequate for the protection of the district staff and board. Libraries should have policies that govern financial operations.

It is essential that libraries are as transparent as possible concerning the use of public money. Libraries need to be proactive in this regard, distributing information on a consistent and reliable basis.

## **Finance Checklist**

- 1. Develop an annual financial plan/budget based on the library's goals and objectives for approval by the Library Governing Authority.**
- 2. Prepare financial statements (including a comparison to budget) that are prepared and reviewed monthly, and made widely available.**
- 3. Library Districts, as required by law, commission and accept an independent annual audit. Other jurisdictional libraries participate in audits with their Library Governing Authority.**
- 4. Library Governing Authority certifies the budget (in the case of governing boards) or reviews the budget (in the case of advisory boards).**
- 5. Follow financial management guidelines that include policies on budgeting, investments, purchasing, borrowing, and banking at a minimum, and follow fiscal procedures consistent with federal and state law and local government requirements.**
- 6. Distribute financial information to ensure responsible, transparent use of public funds.**
- 7. Encourage community financial involvement through Friends, Foundations, and other organizations.**
- 8. Explore local, state, and national fund-raising opportunities, sponsorships, partnerships, grants, donations and gifts and makes application where appropriate for special projects or to supplement local funding.**
- 9. Look for opportunities to utilize group purchases and collective bargaining as a mechanism to expend funds wisely.**