



Money Matters!

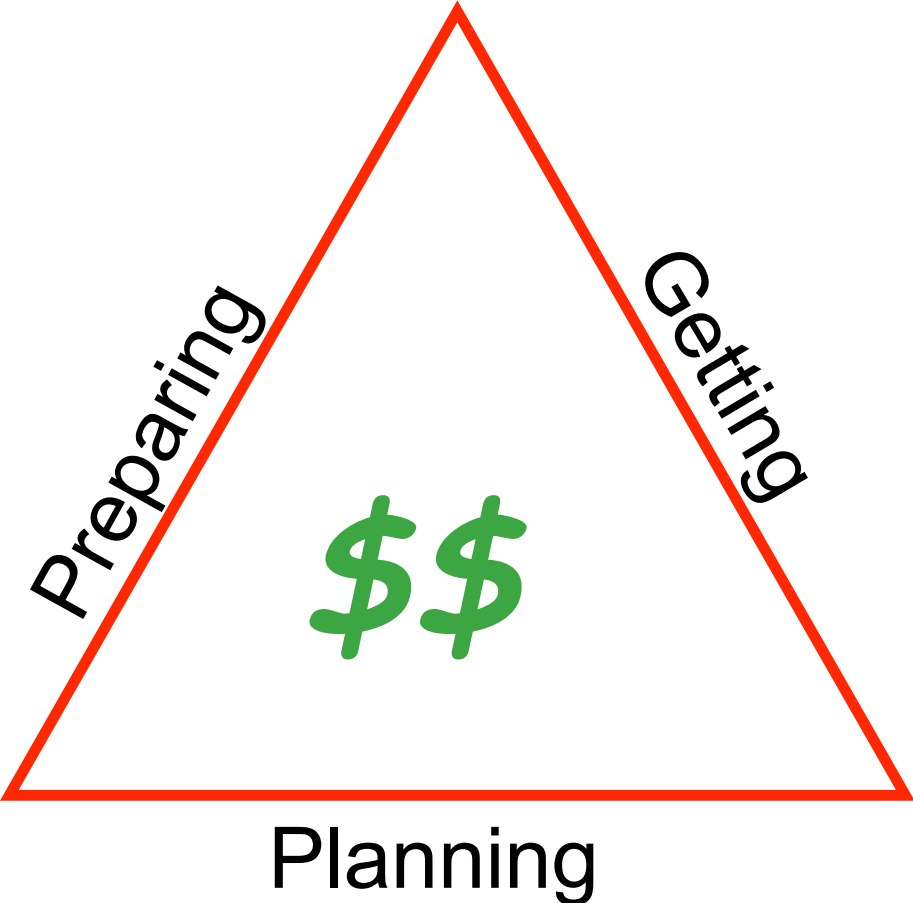
“Public Library Budgeting 101”



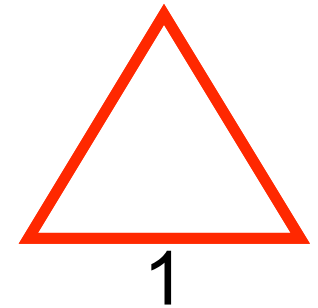
Cheryl Becker
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The Budget Triangle



● ● ● | PLANNING



- “Planning for Results”
 - “Excellence must be defined locally—it results when library services match community needs, interests and priorities.”
 - Community input
- ↓
- Broad community support



Strategic Plan

- Mission Statement
- Service responses
- Goals
- Objectives
- Activities
- Resource allocation / Reallocation
- Budget ramifications



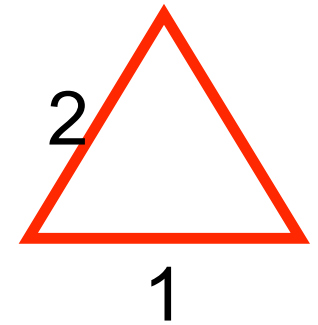


Tie Budget to Plan





PREPARING



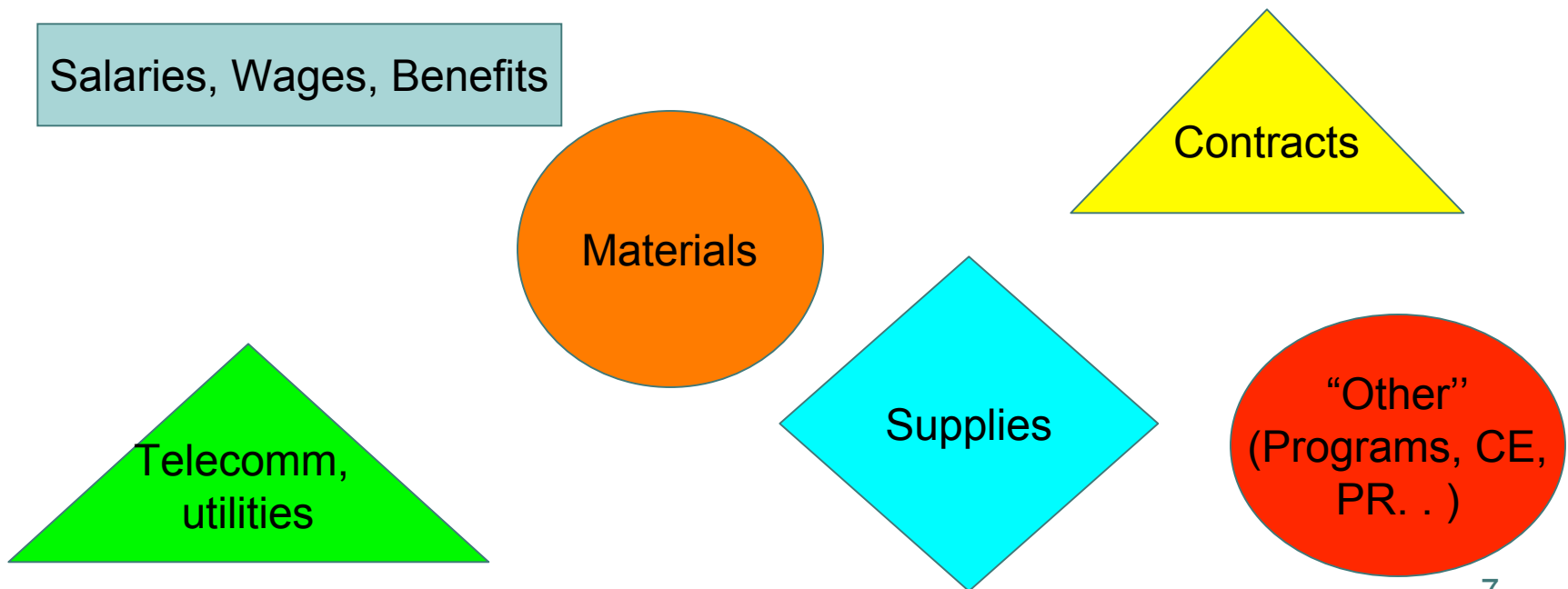
- Resources needed for coming year
- Estimate expenditures (A)
- Estimate revenues (B)
- Amount needed from municipality (C)

$$A - B = C$$

(sort of)

Estimating Expenditures

- What do you *plan* to do in the coming year?
- Project based on current year & forecasts
- Major categories:



● ● ● | Sources of Info—Personnel

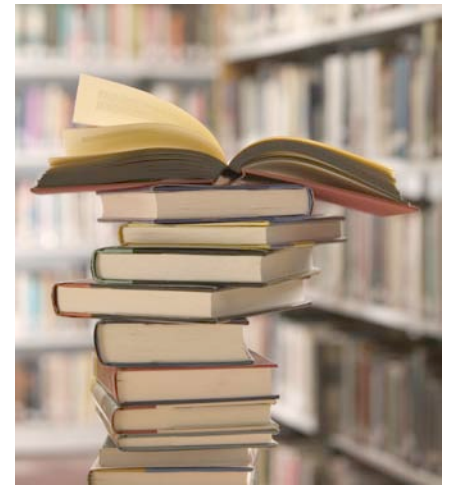
- Salary & Fringe Benefit Survey of Wisconsin Public Libraries
- Public Library Data Service (PLDS) Report
- Similar positions in municipality
- State & federal minimum wage
- Wisconsin Retirement Fund
- Insurance carriers





Sources of Info—Materials

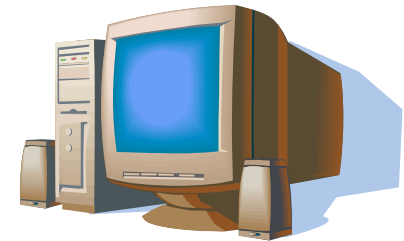
- Books: Bowker Annual
- Periodicals:
 - [Library Journal](#) (every April)
 - [EBSCO](#) price projections
- Media: vendors, stores
- Electronic resources
 - “Share” of SCLS resources





Sources of Info—Other

- Your major vendors
- LINK
- Delivery
- Telus
- Continuing education,
conference projections
- Other?





Estimating Revenues

- County Payments
 - Own county
 - Adjacent counties
- System
- Federal
- Funds carried forward
- Donations / Gifts / Grants
- Other?



County Reimbursement

- Wisconsin Statutes 43.12
- Formula
- 70% minimum
- Doesn't relieve municipality of responsibility



Formula (43.12)

$$\left(\frac{\text{2006 Expenditures (less federal funds)}}{\text{2006 Circulation}} \right) \times \left(\text{2006 Circ to residents w/o library} \right) \times \left(70\% \right)$$

(Minimum)

(2006 usage determines 2008 payment)



Other Statutes Related to Budgets

- Maintenance of Effort (43.15 (4)(c)5)
- Exemption from County Tax (43.64)
- Board's exclusive control (43.58(1))
 - Carryover of unexpended funds (opinion):

“the board's exclusive control. . . includes the authority. . . to carry forward unexpended funds from one year to the next.”



Operating vs. Capital

Keep them separate



Operating

- Recurring, can be anticipated
- Salaries, wages, benefits
- Materials
- Heating, cooling, maintenance, upkeep
- Contracts



Capital

- Irregular, major
- Require fundraising and/or municipal borrowing
- New or remodeled building, major improvements
- Expensive equipment, furnishings
- Municipality may have separate process for capital requests

● ● ● | Create the Budget Request

- Types of Budgets
 - Line item
 - Program
- Municipal format & guidelines
- Characteristics
 - Clarity
 - Accuracy
 - Consistency
 - Comprehensiveness





Line Item Budget

- Commonly used
- Categories (“lines”) of expenditures
 - Personnel
 - Materials (may break down further)
 - Supplies
 - Equipment
 - Etc.
- See example



Program Budget

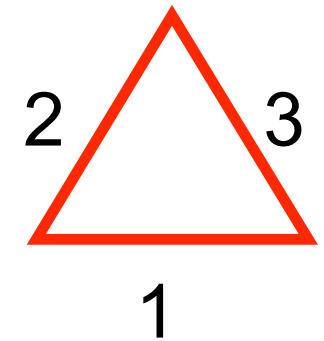
- Organized around programmatic areas. For example:
 - Administration
 - Children's service
 - Circulation
 - Reference
 - Public programs
- May be sub-arranged in line item style



Program Budget

- Divide salaries, supplies, materials, etc. up and put under each program area
- Allows director & board to see how much is spent on each area
- Back up line item budget with program budget
- Not easy to do, but powerful
- See example

● ● ● | GETTING



- Budget documents
 - municipality's format & guidelines
 - a word about percentages (and levy limits)
- Documentation
 - simple, understandable, attractive
 - package
- Presentation

● ● ● | Documentation—Tell your story

- Statistics

- Output measures
- Few
- Well-chosen
- Clear and simple

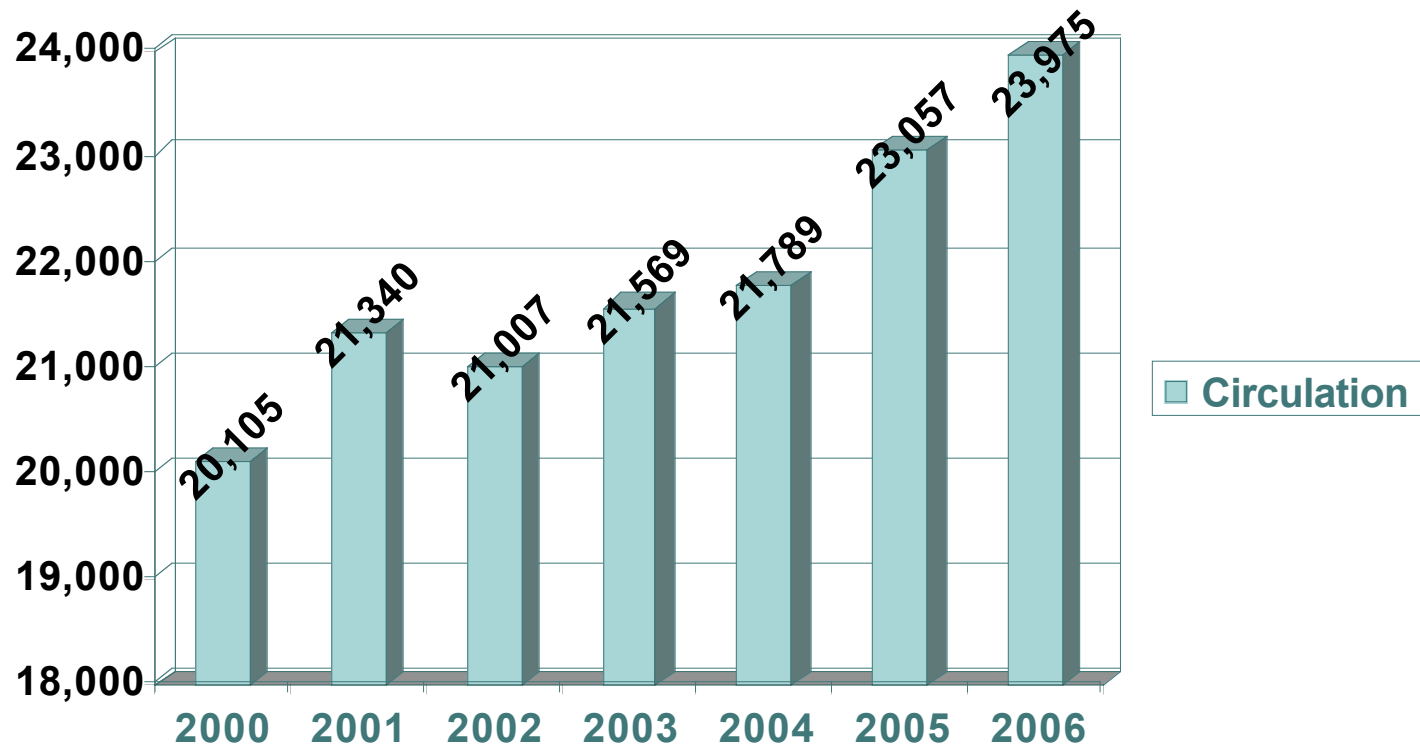
- Anecdotes / Testimonials

- Seal the deal
- Keep a file.





Statistics





Statistics





Statistics

“Last year the average resident checked out 7 items. The per capita library cost was \$27— the cost of one hardcover book. What a good deal!”

● ● ● | “Break it Down”

“The increase translates to \$200 per household, or about 50¢ per day—less than the price of a cup of coffee.”





Testimonials

“Last month my husband was diagnosed with a rare health condition. Library staff members helped me find useful information, and locate a specialist 200 miles away. I don’t know what we would have done without the library.”



Presentation



- Know the players
- Make sure they know you
- Bring your board
- Bring your friends/taxpayers
- Supportive statistics and anecdotes
- Don't use jargon / explain acronyms
- Use humor
- Be brief

Know the Players— Do they Know You?



- All year round.
- Be part of the community (Chamber, other organizations)
- Support, research on topics of discussion
- Become useful to individual members
- What's going on at the library
- Invite them in!



Bring your Board, Friends (taxpayers)

- Educate them about your needs, message
- Elected officials listen when voters speak
- (Maybe not the first time)



Three Rules



Never assume that others understand what the library does or what it takes to do it. Use every opportunity to educate them.



Three Rules



#2

Ask! Research shows that even people who don't use libraries appreciate them and support them.



Three Rules



#3

Don't do this alone. Your message is most powerful when others speak up for you.



Successful Speaking

- Be sincere.
- Be brief.
- Be seated.



—Franklin D. Roosevelt

● ● ● | Post-Appropriation



- Did we get what we asked for?
- Why or why not?
- What will we do differently next time?
- If not: reallocate budget lines
 - (Board, not municipality)
- No matter what: Say *“Thank you!”*



Municipal vs. Library Accounting

- Municipality makes payments from library fund (authorized by library board)
- Municipal accounting should be available to director & board upon request
- Advisable to also keep library's own records
 - timely access
 - double-check

Typical Budget Calendar

February-March	Review annual report. Trends.
Spring	Review plan and service responses. Progress.
Mid-Year	<ul style="list-style-type: none">•Review current year revenue & expenditures•Municipality sets budget calendar & process
Summer	After discussion with board, director drafts preliminary budget

Typical Budget Calendar

Late Summer/ Early Fall	Board approves or revises budget
Late Summer/ Early Fall	<ul style="list-style-type: none">•Submit board-approved budget request to municipality•Prepare documentation for budget hearing
Fall	<ul style="list-style-type: none">•Budget reviewed by municipality•May request additional info•Budget hearing

Typical Budget Calendar

Fall	Final approval
Post-approval	<ul style="list-style-type: none">•Thank-you's•Reallocate budget lines if necessary•Evaluate, notes for next year
Ongoing	Monitor expenditures

Soon it will be time to do it all again!





Thank you!

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