



Money Matters!

“Public Library Budgeting 101”



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The Library Budget

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Planning

Preparing

Getting



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)

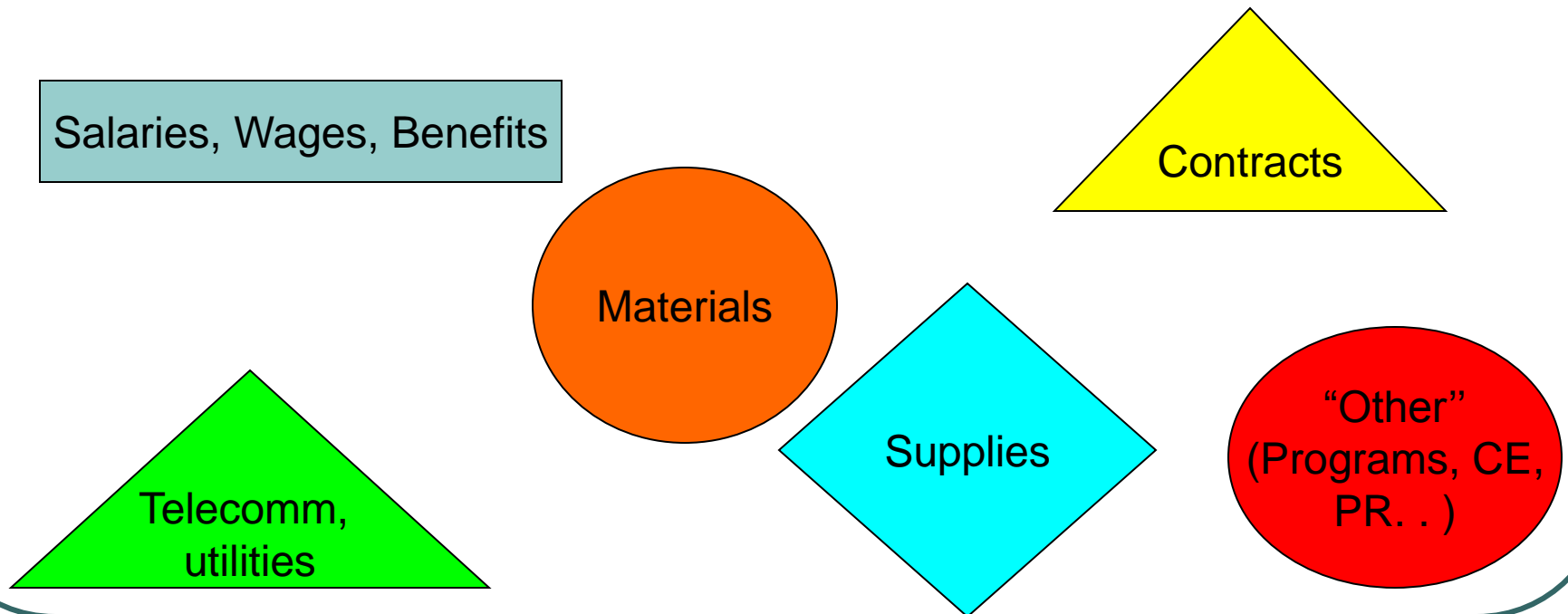
“Sort of”

- Municipality’s responsibility
 - Budget shortages
 - Budget “overages”



Estimating Expenditures

- What you plan to do in coming year
- Base on current year & forecasts



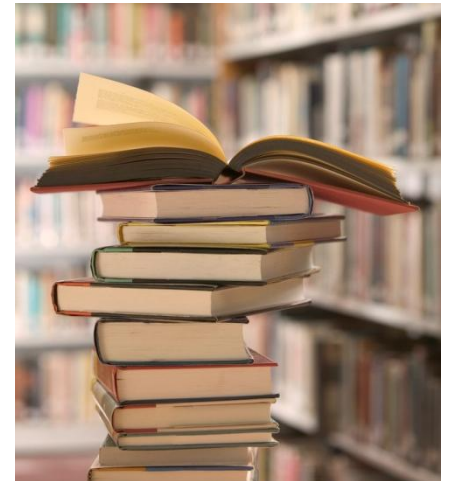
Estimating Personnel Expenses

- Other libraries
- Salary schedule
- Similar positions in municipality
- State & federal minimum wage
- Wisconsin Retirement Fund
- Insurance carriers



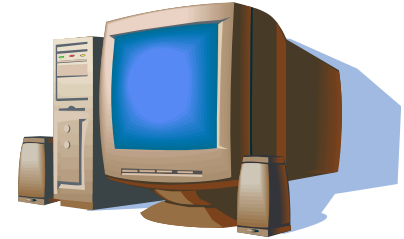
Estimating Materials Expenses

- Books: *Library and Book Trade Annual*
- Periodicals: Library Journal (every April)
- Media: vendors, stores
- Electronic resources
 - Databases cost
- Your jobbers



Estimating “Other” Expenses

- Your major vendors
- ILS costs
- Delivery
- Library Online
- Utilities, etc.
- Continuing education, conferences
- Other?



Estimating Revenues

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

County Reimbursements

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



Formula (43.12)

$$\left(\frac{\text{2009 Expenditures (less federal funds)}}{\text{2009 Circulation}} \right) \times \left(\text{2009 Circ to residents w/o library} \right) \times \left(70\% \right)$$

(Minimum)

(2009 usage determines 2011 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):

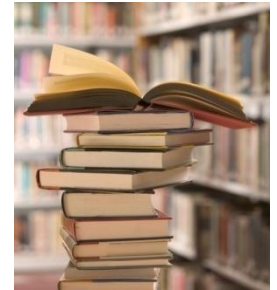
“the board's exclusive control. . . includes the authority. . . to carry forward unexpended funds from one year to the next.”

Operating vs. Capital

Keep them separate

Operating

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



Capital

- Irregular, major
- Fundraising / municipal borrowing
- New/remodeled building
- Major tech upgrades, improvements
- Municipality may have separate process



Create the Budget Document

- Types of Budgets
 - Line item
 - Program
- Municipal format & guidelines



Characteristics

- Clarity
- Accuracy
- Consistency
- Comprehensiveness

Line Item Budget

- Most common
- Categories (“lines”)
- Revenue and expenditures

Income:

- Municipality
- Counties
- State
- Fines
- etc.

Expenditures:

- Personnel
- Materials
- Supplies
- Equipment
- etc.

Program Budget

- Organized around program 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. under each program
- Shows how much is spent on each program area
- Back up line item budget with program budget
- Not easy, but powerful

Prepare Budget Request

- Budget documents
 - Municipality's format & guidelines
 - Possible issues:
 - Percentages
 - Levy limits
 - Expenditure Restraint Program
- Documentation
 - simple, understandable, attractive
 - package
- Presentation

Pick Your “Battles”

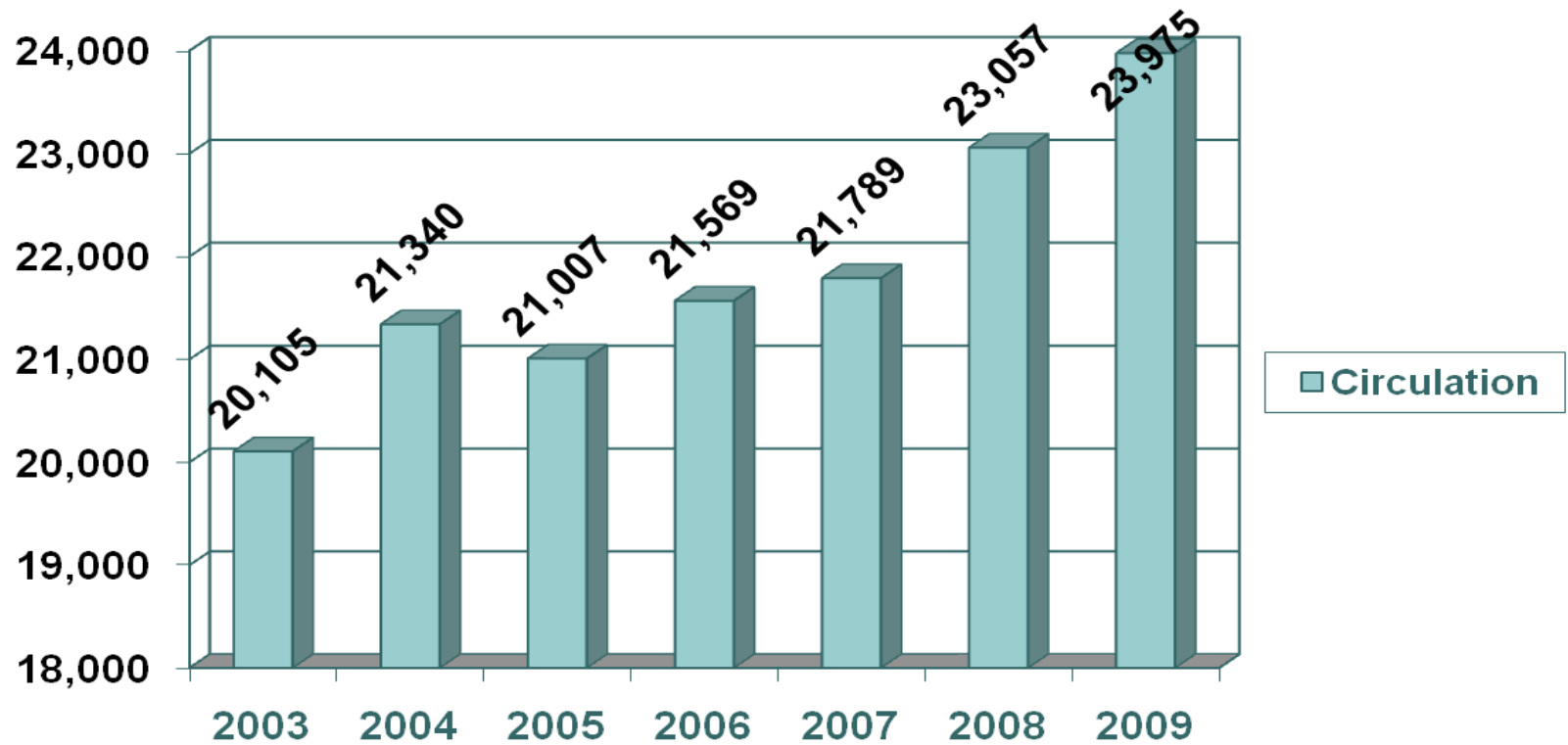
- Go along to get along?
- For how long?



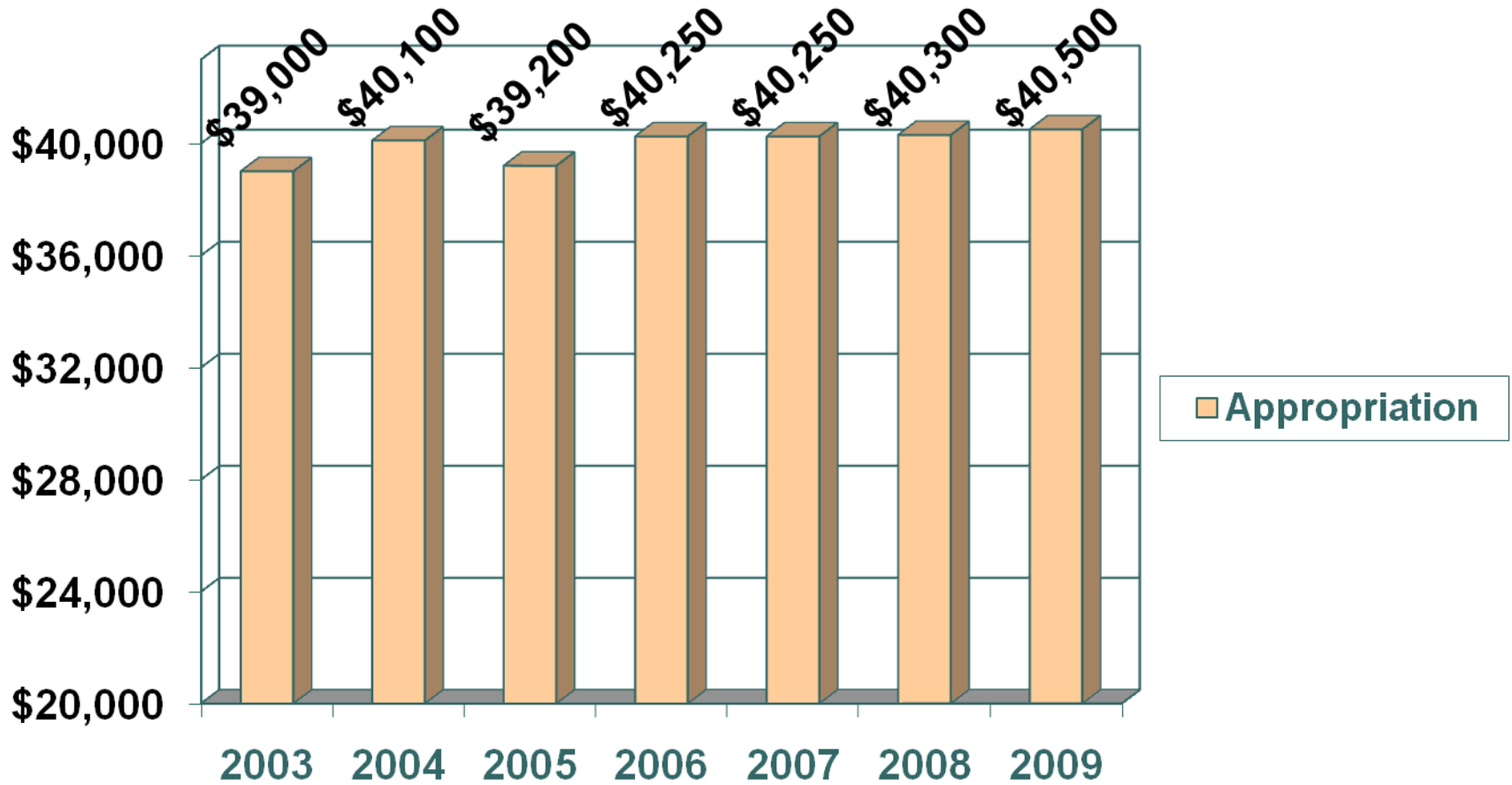
Documentation—Tell your story

- **Statistics**
 - Output measures
 - Few
 - Well-chosen
 - Clear and simple
- **Anecdotes / Testimonials**
 - Seal the deal
 - Keep a file.

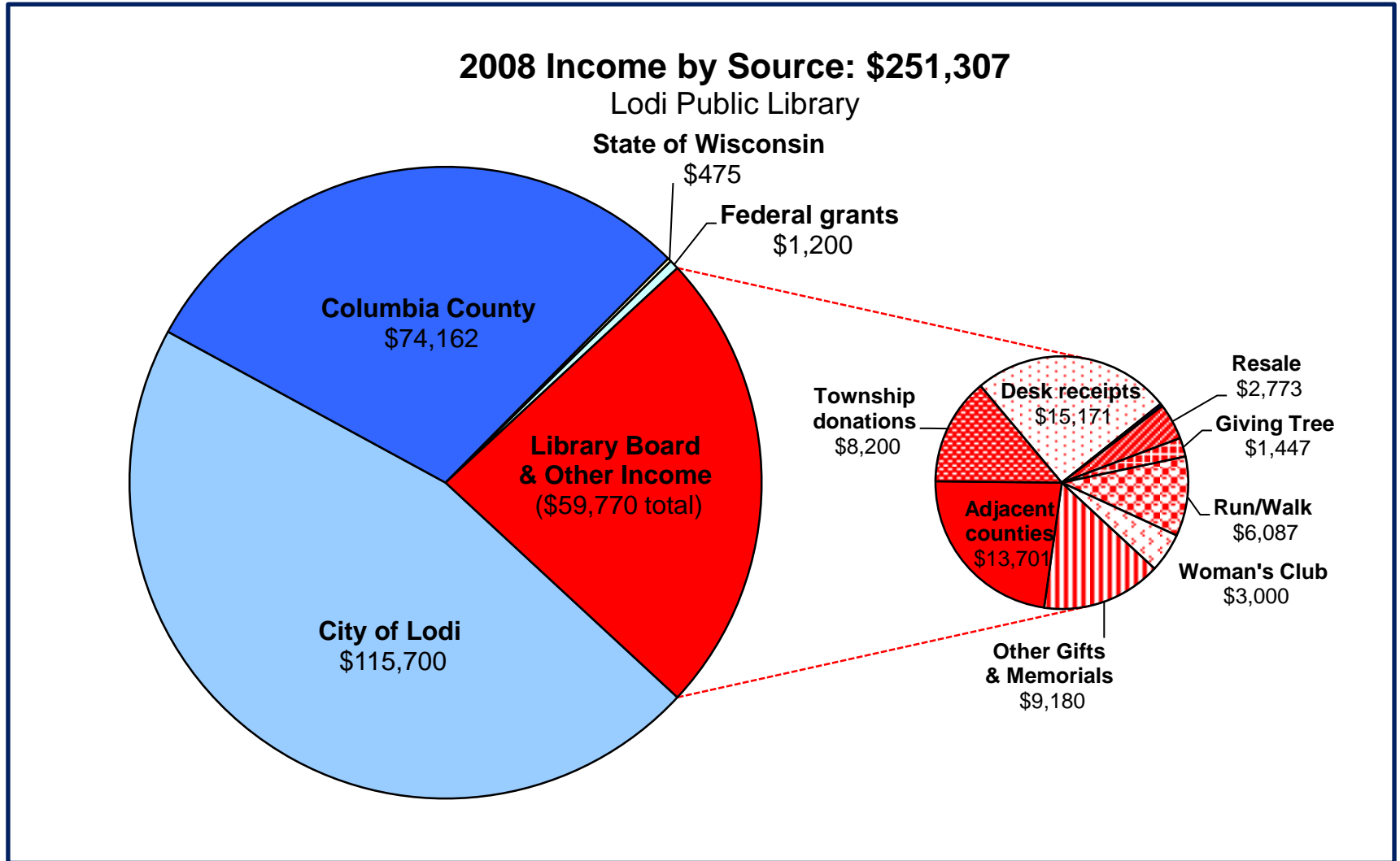
Statistics



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.”



Presentation

- Know the players
- They know you
- Bring board/friends/taxpayers
- Supportive statistics and anecdotes
- Jargon / Acronyms
- Use humor
- Be brief



“Know the Players”

- All year round
- Part of the community
- Info on discussion topics
- What are they interested in?
- What’s going on at the library
- Invite them in!



Bring Supporters

- Educate about needs, message
- New users (economy)
- Elected officials listen when voters speak
- (Maybe not the first time)



Three Rules



#1

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.

Post-Appropriation

- Did we get what we asked for?
- Why? Why not?
- Do differently next time?
- If not:
 - Reallocate budget lines? (Library Board, NOT municipality!)
 - Cuts? Friends? Foundation? Fundraising?
- No matter what: Say *“Thank you!”*

Appropriation

- Amount approved
- Amount you get
- Annual report
- Adjustments
- Carry over
- Example

=



Annual Report

2009 Report:

6. Funds Carried Forward (Do not include state aid. Report state funds in 3b above.)	7. All Other Operating Income	8. Total Operating Income Add 1 through 7	9. What is the 2010 annual appropriation provided by your governing board for your public library?	10. Did your library's municipality exempt itself from the county library tax for 2009 Wis. Stats. s.43.64(2)?
			\$138,700	

2010 Report:

V. LIBRARY OPERATING REVENUE <i>Report operating revenue only. Do not report capital receipts here.</i>		
1. Local Municipal Appropriations for Library Service (Only Joint libraries will report more than one municipality here.)		
Municipal Type	Name	Amount
		\$138,700

Municipal vs. Library Accounting

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

Managing the Budget

- Library spends in keeping with budget
- Board monitors budget
- Board approves invoices monthly
- Municipality pays board approved invoices
- (possible exceptions: salaries, other recurring)

Monthly Financial Statement

- Income during month, & YTD income
- Bills to be approved for month
- YTD expenditures
- All library accounts and balances
 - Municipal fund
 - Any accounts held by library (gifts, donations)

Typical Budget Calendar

February-March	Review annual report. Trends.
Spring	Review strategic plan & 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•If necessary:<ul style="list-style-type: none">– Reallocate budget lines– Fundraising, Friends, etc.•Evaluate, notes for next year
Ongoing	Monitor expenditures



Questions, Comments?

Thank you!

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