

Brodhead Memorial Public Library

Financial Policy

Purpose

The Library Board establishes this financial policy to ensure fiscal accountability, appropriate use of funds in support of the Library's mission and goals, and compliance with appropriate laws.

Policy

1. Consistency

- a. Library staff, while preserving the Library Board's legal prerogatives under Wis. Stats. §§ 43.58(1) and 43.58(2), will keep Library practices in compliance with City of Brodhead fiscal practices and policies.
- b. Library staff will work with the City Clerk-Treasurer staff to ensure that City Clerk-Treasurer, City Audit and Finance Committee, and/or City Common Council policies accommodate the Board's authority as such policies relate to the Library. City Clerk-Treasurer staff will submit policies generated by the City Clerk-Treasurer, City Audit and Finance Committee, and/or City Common Council that relate to the Library to the Library Board for approval.

2. Budget

- a. The Library Director shall submit budget revenue funds and expenditures, in accordance with direction from the Library Board, for the up-coming fiscal year in the month of September or October based on best estimate.
- b. The Library Board shall establish an annual budget and submit it to the Mayor and City Clerk for inclusion in the City's executive budget according to City guidelines.
- c. As part of the annual budget, the Board shall indicate the amount being requested from the City of Brodhead to create a balanced Library budget.
- d. Library staff shall work with the Mayor, the City Clerk-Treasurer, and Common Council to seek adoption of the Board's request, reporting any changes or concerns to the Board.
- e. After budget adoption by the City Council, the Library Director will present the approved City contribution to the Library for the year to the Library Board.
- f. The Board delegates to the Director the expenditure of monies and the development of an annual collection budget to allocate funds available for library materials. Such delegation is

given by means of the duties the Board may prescribe for the Library Director per Wis. Stat. § 43.58(4).

- g. Funds may be transferred between budget lines and between budget programs with the approval of the Library Board.
- h. Any budget adjustment approved by the Library Board will be reported to the City Clerk Treasurer as an informational item.

3. Review & Reporting

On an annual basis, all Library funds, expenditures and revenues will be audited as part of the City's audit. Library staff shall report to the Board any notes or communications from the City's auditor regarding the Library. Library finances will also be annually reported to the State of Wisconsin as required by the Department of Public Instruction.

4. Expenditures

- a. The Library Director or his/her designee will review expenditures of budgeted funds and forward invoices to the City of Brodhead for payment.
- b. Library staff will work together with the City of Brodhead Clerk/Treasurer using the City's procedures for payment of invoices and credit card statements and will keep library practices in compliance with City practices and policies while preserving the Library Board's legal prerogatives under Wis. Stats. §§ 43.58(1) and 43.58(2).
- c. On a monthly basis, staff shall present a list of all expenditures to the Board for review and approval. Staff will also present a monthly financial report showing the status of all accounts and funds. This report will be submitted to both the Library Board and the City Clerk.

5. Receipts

- a. Monies received as revenue by the Library from overdue/circulation fines and fees, as well as public printing, copying, purchase of electronic storage devices and the like will be submitted to the City of Brodhead as revenue for budgeted library spending.
- b. Monies received as reimbursements for lost or damaged materials, will be added to the materials budget to be used to purchase replacement materials. Staff will request 100% carryover of any unexpended lost and paid funds from one year to the next, so that funds shall be used to purchase replacement materials rather than as general revenue.
- c. In the event that patrons are billed for extra charges or surcharges incurred in collecting monies owed to the Library, such as fees for non-sufficient funds, any payments for such charges will

not accrue to the Library, but to the City of Brodhead as general revenue.

- d. Library staff will implement petty cash procedures consistent with City of Brodhead procedures, for use when immediate payment or reimbursement for a purchase or service is required.
- e. Grants & Donations
 - i. Funds donated may be allocated according to the wishes of the donor as donations to one of three Funds: the Memorial Fund for purchase of library materials, the Library Improvement Fund, Youth Services Fund, or may be undesignated. The Board shall determine the disposition of undesignated donations.
 - ii. All donations to the Library shall be subject to the approval of the Library Board per the Gifts Policy.
 - 1. The Library Board may refuse any gift.
 - 2. The Library Board *may* pay or transfer any gift, bequest, devise, or endowment, or its proceeds, to the City of Brodhead; or the Board *may* pay or transfer the gift, bequest, devise or endowment to the Friends of the Brodhead Memorial Public Library.
 - 3. The library reserves the right at all times to dispose of any gift without notification to the donor.
 - iii. Staff will track monies donated for the express purpose of purchasing library materials as a "Memorial Fund" and use them only for the purpose for which they have been donated. Staff will request 100% carryover of any unexpended Memorial funds from one fiscal year to the next, so that funds shall be used to purchase materials consistent with donor wishes rather than as general revenue. Any cash found in the Library and unclaimed after 60 days will be added to the Memorial Fund.
 - iv. Staff will track monies donated for the general purpose of improving the library, its facilities, programs, or staffing as a "Library Improvement Fund" and use them only for the purpose for which they have been donated. Staff will request 100% carryover of any unexpended Library Improvement funds from one fiscal year to the next, so that funds shall be used to make improvements to the library not otherwise feasible, that are consistent with donor wishes, rather than as general revenue. Any cash donated to a Library Improvement collection container will be added to the Library Improvement Fund.
 - v. Staff will track monies donated for the express purpose of enhancing Youth's Services at the Library as a "Youth Services Fund" and use them only for the purpose for which they have been donated. Staff will request 100% carryover of any unexpended Youth Services funds from one fiscal year to the next, so that funds shall be used to purchase

materials consistent with donor wishes rather than as general revenue. Any cash generated from the donation of aluminum cans collected in the library parking lot will be added to the Youth Services Fund.

- vi. Grants applied for by staff and received from external sources, such as the state or federal governments, foundations or other funding bodies, are subject to the approval of the Library Board, as provided by statute.

1. Whenever possible, staff will present any grant requests over \$500 to the Library Board for approval prior to submitting the request to the funding source. In cases of critical timing, the Board President may authorize such requests, which will be reported at the next Board meeting.

2. Library staff will work together with City of Brodhead staff to administer any funds received, consistent with this Finance Policy and conditions of the funding authorities.

6. Disposal of property

- a. Withdrawn library materials, materials donated but not added to the collection, and other library equipment no longer needed for library services may be given to the Friends. The Friends group will sell these materials to raise funds for their projects.
- b. If another City of Brodhead Department expresses an interest in a piece of equipment or other item no longer used by the Brodhead Memorial Public Library, the Library Director may transfer such items to those departments. Staff will report such transfers to the Library Board.
- c. Some library materials and other items no longer needed for library service not wanted by other City departments or agencies may be discarded, sold online or at auction by the City of Brodhead, put into City storage, donated to a nonprofit agency or educational institution, or otherwise disposed of and reported accordingly.

Approved by the Library Board on November 16, 2015