

# Appleton 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 and ordinances and City of Appleton policies.

## **Policy**

### **1. Consistency**

- a. Library staff, while preserving the Library Board's legal prerogatives under Wis. Stat. 43.58(1) and 43.58(2), will keep Library practices in compliance with City of Appleton fiscal practices and policies.
- b. Library staff will work with Finance Department staff to ensure that Finance Department policies accommodate the Board's authority. Staff will submit policies generated by the Finance Department to the Library Board for approval.

### **2. Budget**

- a. The Library Board shall establish an annual budget request according to City guidelines and submit it to the Mayor and City Finance Department for inclusion in the City's executive budget.
- b. Staff shall budget revenue funds and associated expenditures as follows:
  - i. Best estimate of revenue, but no associated expenditures for budgeted City General Fund revenue: Outagamie County reimbursements, overdue fines, and Outagamie Waupaca Library System rent.
  - ii. Best estimate of revenue, and associated expenditures for budgeted General Fund revenue based on use: Internet printing, photocopiers, reader-printers, and vending machines, and benefitted positions funded via grants or resource library agreement.
  - iii. No revenue budgeted, but any revenue realized to be transferred to appropriate spending accounts per policy: lost and paid materials, resource library agreement funds, grants and donations.
- c. Staff shall work with the Mayor, City Finance Department, and Common Council to seek adoption of the Board's request, reporting any changes or concerns to the Board.
- d. After budget adoption by the City Council, Library staff will present the adopted budget for the year to the Library Board for review and approval.
- e. The Board delegates to staff the expenditure of monies and the development of an annual collection budget to allocate funds available for library materials.
- f. Funds may be transferred between budget lines and between budget programs with the approval of the Library Board. Staff will report transfers under \$15,000 as informational, but the Board may, by majority vote, require any item to be handled as an action item at a subsequent meeting. Transfers of \$15,000 or more between budget programs require approval of the Board Finance Committee and two-thirds of the full Library Board. New library appropriations funded by grants require the approval of the Library Board.
- g. Any budget adjustment approved by the Library Board will be reported to the Council Finance and Administrative Services Committee as an informational item.
- h. The Board's authority over budgeted City funds shall lapse at the end of the calendar year and any budget fund balances shall revert to City authority, subject to City carryover policies and procedures.

### **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. Staff will review expenditures of budgeted funds and forward approved invoices to City Finance for payment.
- b. Library staff will work together with City Finance staff, using City forms and procedures for payment of invoices, and will keep library practices in compliance with City practices and policies while preserving the Library Board's legal prerogatives under Wis. Stat 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.

### **5. Receipts**

- a. Monies received as revenue by the Library from overdue fines, rent and utility payments, public printing, copying, reader-printer copies, vending machine commissions, and Outagamie County payments for library service will be submitted to the City as general revenue.
- 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 City Finance as general revenue.
- d. Library staff will implement petty cash procedures consistent with City of Appleton procedures, for use when immediate payment or reimbursement for a purchase or service is required.
- e. Library staff will track funds available from the Outagamie Waupaca Library System through the Resource Library Agreement, submit a spending plan for approval by the Library Board, and transfer funds to the City as needed for expenditures, consistent with budget transfer policies and procedures.
- f. Grants & Donations
  - i. Funds donated may be allocated according to the wishes of the donor as donations to the Friends, Frank P. Young Scholarship Fund, Memorial Fund for purchase of library materials, 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 Appleton; or the Board may pay or transfer the gift, bequest, devise or endowment to the Friends of the Appleton 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. The Board shall have the right to approve or deny library utilization of grant or contract funds on behalf of the Library by external organizations such as the Outagamie Waupaca Library System, or the library's Friends group.
  - v. 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 Finance staff to administer any funds received, consistent with Finance policies and conditions of the funding authorities.
  - vi. Grants from the FOAL/Frank P. Young Scholarship Fund shall be made in accordance with the Scholarship Policy, as determined by the Board upon recommendation of the Scholarship Committee. The Board may choose not to give an award every year.
  - g. Library staff will work together with Finance staff to ensure appropriate journal entries and necessary budget adjustments to reflect these revenues and expenditures.

## **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 Appleton Department expresses an interest in a piece of equipment or other item no longer used by the Appleton Public Library, the Library Director may transfer such items to those departments. Staff will report such transfers to the Library Board.
- c. If another library or local nonprofit organization expresses an interest in a piece of equipment or other item no longer used by the Appleton Public Library, the Library Director may negotiate sale or trade of the items for reasonable compensation. Staff will report such transfers to the Library Board. Staff will report to City Finance any funds received as revenue from such sales, for such budget adjustments as the Finance Director agrees are appropriate.
- d. Unless an item is sold by public auction or competitive bidding, Library-owned supplies and equipment will not be taken by, given to, or sold to any Library or City employee unless a specific exception is granted by the Library Board of Trustees. The Board authorizes employees to purchase items in the Friends book sale on the same basis as the general public. The Code of Ethics Policy requires that employees or volunteers will not obtain, use, or divert Library or City property for personal use and/or benefit.
- e. 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 City Finance, put into City storage, donated to a nonprofit agency or educational institution, or otherwise disposed of according to City Procurement Policy and reported accordingly. Library staff will work with the City Purchasing Manager as needed for assistance in determining the most appropriate and beneficial method for disposal of such items, which may depend on several factors including:
  - i. The condition, location and physical characteristics of such items.
  - ii. The amount of time, effort, administration and expense required for the method relative to the potential value to be received.
  - iii. The public benefits or liabilities associated with the method.