

KANSAS Trustee Education Program
Director's Template

Topic: BUDGET ISSUES FOR TRUSTEES

Discussion Starter: [Director, start off with this scenario and get board comments.]

At the October Library Board meeting, trustees realized that the library's tax income for the year was \$3,000 below the budget amount they had been expecting. The Director reported that the City Manager stated that they were receiving all tax money levied, as published in the budget the prior year. How could this have happened?

[Short discussion – track comments and reactions for recap at the end of the presentation.]

Budget planning is a broad topic, but to help narrow the focus, today we will be discussing elements that all library budget planning has in common. We will be looking at your trustee handout as we go along. Some definitions that should be helpful are below.

Definitions:

Ad Valorem [An ad-valorem tax (Latin: *by value*) is a property tax.]

Budget [Financial plan that serves as an estimate of future expenditures, revenue or both.]

Carryover [Two perspectives – library's and the City or Township-see trustee handout.]

Cash basis [Bookkeeping method by which revenues and expenditures are recorded when they are received and paid.]

Fiscal Year [For all Kansas public libraries, cities and townships – January to December.]

Points to Cover:

Budget planning for library trustees and the library director is a cooperative process that requires three elements:

- 1) **Good data** [Monthly reports tracking actual income and expense against budget, bank account information for this fiscal year and last year.]
- 2) **Good planning** [Understanding statutory responsibility, continual prioritization of current budget items based on year-to-date income and expense information, creation of upcoming budget based on prior year data, and current evaluation, continual positive contact with the city or township administration.] [Director, take them through the budget cycle, p.1-2, trustee handout.]
- 3) **Good results** [Presenting the library's budget request at city/township work group meetings and budget meetings, obtaining copies of all pages of official budget related to library funds.] [Director, take them through the budget process and who does what, p. 2-3, trustee handout.]

[Referring to the beginning discussion, ask how the Library Board response is now different. Whatever they say, finish up with these points:]

1. Budget process is a continuous cycle
2. Budget process requires input and promotion by the trustees and the Library Director
3. Attending all public hearing relating to the library budget is essential.
4. Obtaining copies of **all** pages of the official budget related to library funds is important.
5. Actually studying the library pages of the official budget of the city/township to make sure the library tax dollar amounts are the same is critical.

See Handout of more detailed explanation of the budget timeline. Also, see the resource list at the end of the Trustee Handout for additional information.