

# Appleton Public Library Financial Policy - DRAFT

## Purpose

The Appleton Public Library ("APL") Library Board of Trustees ("library board") establishes this financial policy to ensure fiscal accountability, appropriate use of funds in support of the APL's Library's mission and goals, and compliance with appropriate laws and ordinances and City of Appleton ("city") policies.

## Policy

### 1. Consistency

- a. Library staff ("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 Appleton city policies. ~~fiscal practices and policies.~~
- b. Library's Staff will work with the city's Finance Department staff to ensure that the city's financial Finance Department policies accommodate the library board's Board's responsibility and bring these policies to the library board for approval. ~~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 the city's Budget Policy. ~~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 county reimbursements, overdue fines, and Outagamie Waupaca Library System rent.
  - ~~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 revenue based on use: printing/copying, reader-printers, vending machines, and benefitted positions funded by grant awards approved prior to budget.
  - ~~ii. 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 during the year to be transferred to appropriate spending accounts via budget adjustments: lost and paid materials, resource library agreement funds, memorials, unbudgeted grants received throughout the year, gifts and donations. ~~No revenue budgeted, but any revenue realized, shall 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 ("Council") to seek adoption of the ~~Board's library board's~~ request, reporting any changes or concerns to the ~~Board~~library board.

d. After the budget adoption by the City ~~After budget adoption by the City~~ Council, Library staff will present the adopted budget for the year to the ~~Library~~ ~~b~~Board for review and approval.

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~~e.~~ The library ~~b~~Board delegates to staff the expenditure of monies, ~~and~~ the development of an annual collection budget to allocate funds available for library materials and development of a Friends of Appleton Public Library ("Friends") grant budget.

~~f.~~e.

~~g.~~ Budget amendments, ~~Budget amendments~~, transfers and new appropriations are subject to the city's Budget and Grants policies. ~~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.~~

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~~h.~~ The Any budget adjustment approved by the Library Board will be reported to the ~~Council Finance and Administrative Services Committee as an informational item.~~

~~i.~~ The library ~~bo~~Board's authority over budgeted ~~c~~City funds shall lapse at the end of the calendar year and any budget fund balances shall revert to ~~c~~City authority, subject to ~~c~~City carryover policies and procedures.

~~j.~~g.

### **~~3.~~ Review & Reporting**

~~—A~~On an annual basis, all Library funds, expenditures and revenues will be audited as part of the City's annual audit. Library staff shall report to the Board any notes or communications from the City's auditor regarding the Library.

~~a.~~ Library finances will be also be annually reported annually to the State of Wisconsin as required by the Department of Public Instruction.

### **4.3. Expenditures**

~~a.~~ Staff will ~~Staff will~~ follow the city's Procurement and Contract Management Policy for purchases and processing of payments. ~~review expenditures of budgeted funds and forward approved invoices to City Finance for payment.~~

~~b.a.~~ 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).

~~e.~~b. On a monthly basis, staff shall present the bill register, a list of all expenditures, to the library ~~b~~Board for review and approval. Staff will also present a monthly financial report showing the status of all accounts and funds.

#### **5.4. Receipts**

- a. Revenue received~~received as revenue~~ by the Library from overdue fines, rent and utility payments, ~~public printing, copying~~printing/copying, reader-printer copies, vending machine commissions, and ~~Outagamie County payments~~county reimbursements for library service ~~reimbursements from counties for library service~~ will be submitted to the City as general revenue. Non-sufficient fund charges will be submitted to the city as general revenue.
- ~~b. Monies~~ Reimbursements~~received as reimbursements~~ for lost or damaged materials, will be added to the materials budget via budget adjustments to be used to purchase replacement materials. ~~Staff will request 100% carryover of any unexpended lost and paid funds form one year to the next, so that funds shall be used to purchase replacement materials rather than as general revenue.~~ These funds will be eligible for carryover.
- ~~c. b. 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.~~
- c. Should the library utilize petty cash, staff will implement petty cash procedures consistent with ~~City of Appleton~~city procedures, for use when immediate payment or reimbursement for a purchase or service is required.
- d. Staff will work with the city's Finance Department to ensure appropriate journal entries and necessary budget adjustments are prepared to reflect all additional revenues and expenditures.

~~6. 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.~~

#### **5. Gifts and Donations**

- ~~a. Gifts and Gifts and D~~donations are subject to the library's Gifts and Donations Policy
- ~~b. 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.~~
- ~~c. All donations to the Library shall be subject to the approval of the Library Board per the Gifts and Policy.~~
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- ~~d. The Library Board may refuse any gift.~~
- ~~e. 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.~~

- ~~f. The library reserves the right at all times to dispose of any gift without notification to the donor.~~
- b. Staff will track ~~monies donated~~ donations for the express purpose of purchasing library materials or supporting a specific program. ~~as a "Memorial Fund"~~ The purchase of specifically identified titles or the funding of specifically dictated programs or services with such funds cannot be guaranteed, nor does the donor have the right of approval of titles or services before purchase. However, donors are encouraged to recommend subject or service areas.
- c. ~~and use them only for the purpose for which they have been donated.~~ Staff will request ~~Staff will request 100% carryover of any unexpended Memorial-donated funds from one fiscal year to the next,~~ so that funds shall be used to purchase materials or support programs consistent with donor- ~~wishes rather than as general revenue.~~
- ~~g-d.~~ Any cash found in the ~~L~~Library and unclaimed after 60 days will be ~~added to the Memorial Fund~~ considered donated funds.

## 6. Grants

- a. The library board shall have the right to approve or deny library utilization of grant or contract funds on behalf of the ~~L~~Library by any organization or individual.
- b. Grants received are subject to the city's Grant Policy and approval of the library board.
- c. Friends grants will be administered as follows:
  - i. Friends ~~staff~~ will inform the library in spring of the grant allocation for their upcoming July to June fiscal year.
  - ii. ~~S~~Staff will present a spending plan for Friends' grants to the library board for approval.
  - iii. ~~S~~Staff will provide quarterly reports of grant programs to the library board and Friends board.
  - iv. Friends' staff will provide quarterly disbursements upon receipt of expenditure report.
  - v. Expenditures and receipts will be recorded consistent with city policy and subject to carry over.
  - ~~i. 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.~~
  - ~~ii. 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.~~
  - ~~iii. 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.~~

- ~~iv. Library staff will work together with City Finance staff to administer any funds received, consistent with Finance policies and conditions of the funding authorities.~~
- ~~v. Grants from the FOAL~~ Grants from the Friends of Appleton Library/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.~~
- ~~vi. Library staff will work together with Finance staff to ensure appropriate journal entries and necessary budget adjustments to reflect these revenues and expenditures.~~
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## 7. Disposal of ~~P~~property

- ~~a. a.~~ Withdrawn library materials, materials donated but not added to the collection, and other ~~library~~ computer equipment no longer needed for library services may be given to the Friends for sale in the Friends Book Sale. ~~The Friends group will sell these materials to raise funds for their projects.~~
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- ~~b. b.~~ Other surplus or obsolete supplies or equipment will be disposed of in compliance with the city's Procurement and Contract Management Policy. ~~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.~~
- b. 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.

## 8. Review and ~~&~~ Reporting

- a. All library funds, expenditures and revenues will be audited as part of the cCity's annual audit. ~~Library s~~Staff shall report to the ~~Board~~library board any notes or communications from the cCity's auditor regarding the lLibrary.
- ~~e.~~ Library finances will be reported annually to the State of Wisconsin ~~Library finances will be reported annually to the State of Wisconsin's Department of Public Instruction. 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.~~
- ~~d.~~ Some library materials and other items no longer needed for library service not wanted by other City departments or agencies may be discarded, Library property may be sold online or at

auction by the city by City Finance, put into eCity 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:

- e.—The condition, location and physical characteristics of such items.
- f.—The amount of time, effort, administration and expense required for the method relative to the potential value to be received.
- g.—The public benefits or liabilities associated with the method.
- h.b.

~~-12/-adopted by the Library Board of Trustees, December 5, 1996, revised 12/13/99, 12/11/02, 10/14/04, 11/16/10, 2/2016~~