

New Jersey Public Library Budget Basics

New Jersey Public Library Budget Basics

Overview:

Library Trustees have the responsibility of working with the library director and their municipality to maintain adequate financial support for their public library and to oversee the legal and responsible use of library funds. Trustees should have a firm understanding of their library's annual budget as well as the financial requirements of their library's long-term strategic planning goals. Trustees may assist in the preparation of the library's annual budget and its presentation at the municipal level, and should be prepared to advocate for adequate funds to meet the needs demonstrated within the annual budget and strategic plan.

Board Education Component:

According to the 2015 edition of *New Jersey Public Libraries: A Manual for Trustees*, "assuring adequate funds for library services is a prime responsibility of trustees. They are accountable for the use of funds, and are responsible for informing elected officials about the funding level necessary to provide efficient and effective library service that meets the needs established by the library's strategic plan."

FUNDING FOR MUNICIPAL LIBRARIES IN NEW JERSEY

Funding for public libraries in New Jersey is usually obtained through a combination of state, county, municipal and non-governmental sources and may differ based on a library's location, service population, dedicated library tax revenue, additional municipal support, and library designation (i.e.: municipal library, association library, joint library or county library.) For a more detailed discussion of library funding laws for NJ public libraries, please refer to the BCCLS Advocacy Committee's *Laws Governing Library Funding* fact sheet (released in March 2015.)

In order to better advocate for and oversee their library's annual budget, trustees should have a thorough understanding of how their library is funded and how a change in funding from any of the above mentioned sources would impact their library's ability to operate.

Library trustees serving on boards for municipal or joint libraries should also be aware that certain costs cannot be funded by their library's annual mandatory library appropriation. These costs are outlined in N.J.A.C. 15:21-12.6 and include debt service costs, debt, rent or lease payments made to a municipality and certain capital expenses.

ROLE OF TRUSTEES IN CREATING AND IMPLEMENTING A LIBRARY BUDGET

While the timelines and specific details of the annual budget creation, approval and implementation vary among libraries, several core responsibilities remain the same for public library trustees throughout New Jersey. Library trustees should be prepared to accept the following responsibilities:

- Reviewing and voting on the annual library budget as it has been presented by the library

director and/or the board's Finance Committee.

- Advocating for the library's annual operating budget at the municipal level. This may involve presenting the budget to the mayor and town council, defending the budget and the library's funding needs at a public meeting or other budgetary hearing, and/or working with local financial officers and municipal administration.
- Overseeing and approving the library's income and expenditures at monthly library board meetings to ensure proper adherence to the approved budget as well as to current local and state spending and library funding laws.
- Examining the library's yearly financial audit, annual report to the municipality and annual report to the New Jersey State Library and submitting them to the appropriate authorities.
- Working with the library director to fund and implement long-term strategic plans.

ROLE OF LIBRARY DIRECTOR

The library director also has a strong role in the creation and implementation of the library's annual operating budget. The library director is responsible for preparing an annual budget for the library, possibly with the assistance of the library board's finance committee, based on the operational requirements of the library and expected funding. The director's proposed budget must then be presented to the trustees for review and approval before being presented at the municipal level. Once an annual operating budget is approved, it is the director's responsibility to adhere to the approved budget, prepare and submit monthly financial reports to the board for review and inform the trustees of any issues that may impact the approved budget in an unexpected way or result in the need to amend the budget.

Director's Component:

The information presented in this document is general and intended to raise topics for more detailed discussion between you and your trustees. You may wish to tailor the information provided to outline the specific process and timeline for the creation and implementation of your library's annual budget. To review budgeting basics in preparation for your discussion with your trustees, we highly recommend revisiting the "Budgeting and Finance" PowerPoints and handouts provided by the NJ State Library at

http://www.njstatelib.org/services_for_libraries/consulting_services/library_directors/

bccls_trustee_ed_2016_library_budgetDownload

bccls_trustee_ed_2016_library_budgetDownload