

DANIEL BOONE REGIONAL LIBRARY

SUBJECT: Budget

ADMIN 2-701

BOARD

SECTION:

700 – Fiscal Management

Approved: 12/12/96

Revised: 11/11/04

Revised: 01/13/11

Reviewed: 01/16/14

Revised: 05/11/17

POLICY

The annual operating budget of the Daniel Boone Regional Library (DBRL) is drafted by the Executive Director or Executive Director's designee and finalized by the DBRL Finance Committee (Finance Committee) as outlined in Article VII of the DBRL Board of Trustees (Board) Bylaws. The annual budget is approved by the Board as stated in Article IX of the DBRL Board Bylaws.

The budget shall be formatted in a manner that will satisfy the needs of the Board and comply with state statutes.

PROCEDURES

1. The Executive Director or the Executive Director's designee, in consultation with the Executive Director, shall prepare a preliminary operating budget to be presented to the Finance Committee prior to each individual library district board's meeting in August to set its final tax rates. The purpose of the preliminary operating budget is to demonstrate the need for setting the tax rate and to set the framework for the final operating budget. The preliminary budget shall use the same format as used for the final operating budget (described in section 10, below).
2. The Executive Director or the Executive Director's designee shall prepare a public notice for the proposed operating tax levy. The notice shall contain the assessed valuation by category (real, personal, and other tangible property) in the political subdivision as received from the county clerk for the current and preceding tax years. The notice shall also contain the starting hour, date and place of the public hearing and meeting. Public Notice may be posted on the DBRL website and a note stating this shall be published in at least one (1) newspaper **or** the Public Notice shall be posted in at least three (3) public places at least seven (7) days prior to the hearing.
3. The Finance Committee shall review and revise the preliminary operating budget as appropriate in order to make a recommendation to the individual library district boards in August.
4. The Executive Director or the Executive Director's designee shall prepare the preliminary operating budget with input from staff and using the best estimates available. Note: It is possible that the final operating budget will be significantly different from the preliminary budget.

5. The Executive Director or the Executive Director's designee shall present the preliminary operating budget with any Finance Committee-suggested revisions and report the committee's recommendation in an open meeting of the Board before it is considered by each of the individual library district boards and prior to setting the final tax rate, allowing time for public comment.
6. The Executive Director or the Executive Director's designee shall inform the appropriate governing bodies of the current year tax levy amount prior to September 1.
7. The Executive Director or the Executive Director's designee will use the tax levies set by the individual library boards to prepare the final operating budget.
8. The Executive Director or the Executive Director's designee shall prepare a budget message and draft final operating budget to be presented to the Finance Committee at a meeting open to the public.
9. The final operating budget shall be organized in the following format to achieve its operational and strategic plan goals:
 - A. All estimated revenue by major source.
 - B. Proposed expenditures by major category. The major categories are: Salaries and Fringe Benefits; Library Materials; General Operating; Building Operations and Maintenance; Contingency; and Capital Outlay. Line items are defined as items intended to be purchased and whose totals are contained within the budget categories.
 - C. Estimated ending fund balance and how the ending fund balance is designated for future capital needs of the organization.
 - D. Capital Outlay shall include capitalizable construction, improvements, equipment, furniture, etc., as defined by policy 2-702 (Capital Outlays). Any items that do not meet the capitalization policy shall be purchased from supply line items under the "General Operating" and "Building Operations and Maintenance" categories.
 - E. The budget shall contain a contingency amount necessary to account for unforeseen events, emergency expenditures that are approved by the Board, and an allowance for grant and donation expenditures. Rather than allocating potential grant and donation expenditures as line item expenditures, they are included in the contingency budget category since donation amounts and grant awards cannot be foreseen in advance within the budget preparation time frame.
10. The budget message shall contain the following:
 - A. The purpose of the final operating budget.
 - B. New positions requested in the budget. A new position is defined as a hire, which would result in an increase in the current approved FTEs (Full Time Equivalents). The Executive Director shall have the authority to assign and reassign positions (hours) within the approved number of FTEs as necessary to accomplish the delivery of library services. New staff or employees in new positions with a DBRL hire date between October 1 and December 31 of the current year are on probation as defined by Policy 1-224 (Employee Probation

Period) and will not be eligible for the annual staff raise. However, these staff members are eligible to receive any adjustments made to the base salary in their grade.

- C. A qualitative notation addressing the nature or reason for the anticipated substantial changes from the prior year's budget including any substantive changes in budgeting techniques.
 - D. The Health and Dental Insurance Budget may include DBRL's portion of approximately ninety-five (95) percent of the health and dental premiums for a full time employee. Employees enrolled in the high deductible plan may also be eligible for an employer contribution to their Health Savings Account. Health and dental premiums and eligible HSA contributions will be pro-rated for part-time employees ensuring compliance with governmental mandates for employer sponsored health care plans.
 - E. DBRL shall budget for the payment of one hundred (100) percent of a life insurance policy premium for all employees working more than twenty (20) hours per week.
- 11. The detailed information making up the major revenue sources or the line items making up the budget category shall be presented to the Finance Committee.
 - 12. The Finance Committee shall review and revise the operating budget draft as appropriate. The Finance Committee will have the option of presenting the detail information on the budget to the individual library district boards. The Finance Committee will make a recommendation to each of the individual library district boards.
 - 13. The Executive Director or the Executive Director's designee shall present the final operating budget in an open meeting as stated in Article IX of the Board Bylaws. The meeting of the Board shall contain public comment on the agenda. The Executive Director shall schedule open meetings of each individual library district board and report the recommendation of the Finance Committee.
 - 14. Purchasing items in excess of budgeted amounts shall be performed in the following manner:
 - A. The Executive Director or the Executive Director's designee shall inform the board as soon as possible in a monthly or quarterly report when any budget category is expected to end the fiscal year in excess of the most recently passed budget or has exceeded the most recently passed budget subject to procedures C and D, below.
 - B. Expenditure budget categories are defined in section 9.B., above.
 - C. It is permitted for the Executive Director to exceed the budget category totals by ten percent, as long as the grand total expenditure amount is not exceeded. The Executive Director may exceed the amounts budgeted in the individual line items making up a budget category as long as the total in the budget category is not exceeded by the ten percent variance mentioned above. The Finance Committee shall report any action taken on the categories to the Board.
 - D. Exceptions to these procedures may be granted when grants and donations are received to purchase items or services, when the safety of individuals is an

issue, or when significant damage or disruption of service would occur if corrective actions were not taken quickly.

15. As described in Section 67.070 of the Statutes of the State of Missouri, if the Board has not adopted a budget for the next calendar year by current year-end, the current year's budget shall be deemed reappropriated until a formal budget is adopted or unless the Board votes to adopt the preliminary budget instead.

Attachment: DBRL Spending Authority