

KDLA Trustee Tip -- April 2016

Everything You Wanted to Know About Budgets But Were Afraid to Ask

With library budget time at hand, trustees often find themselves with questions about budgets. Here are a few of the difficult questions you may have been afraid to ask!

We're Almost Done With the Fiscal Year, Yet We've Spent Less Than 50% of the Program Line Item/Technology Line Item/Etc. -- Shouldn't We Budget Less In These Categories Next Year?

Many library expenses are annual expenses, or are concentrated around certain times of the year. Having a large balance left in a category toward the end of the fiscal year may reflect expenses that have not come around yet, or it may be an indication that an anticipated need did not materialize. Your director can give you more information about specific line items.

Do We *Really* Need to Spend ____ Dollars on the Book Budget/Salaries/Programming?

Most library directors rely on the [Kentucky Public Library Standards](#) when setting line item budgets for library expenses. The Kentucky Public Library Standards recommend baseline levels of funding for essential library services according to your county's population, along with levels of funding your library can strive for to achieve Enhanced and Exemplary levels of service.

Our Utility/Insurance/Maintenance Costs Were Over Budget This Year. How Can We More Accurately Budget for Hard-to-Anticipate Costs?

When budgeting for insurance or utilities, it may be helpful to contact your sales representative to get help forecasting next year's cost trends. You should also consider any unusual circumstances that may have affected the previous year's expenditures, such as a colder than usual winter or repair of faulty HVAC units that may have depleted several line items.

We've Recently Moved Into a New Building/Opened a New Branch. How Will This Affect Our Budget?

The Kentucky Public Library Standards can assist you in setting baselines for collections and employees, while the [Statistical Report of Kentucky Public Libraries](#) allows you to see what other libraries near your size are spending in common budget categories. To estimate utility costs, contact your local utilities for assistance.

We Had Surplus Funds This Year. Is That an Indication That We Should Be Spending More Money or Collecting Less In Taxes?

Having surplus funds does not necessarily mean that you are spending too little or bringing in too much. The Kentucky Public Library Standards suggests keeping six months operating budget in reserve, and you will also need to conserve a reasonable amount for unexpected and planned library maintenance and repairs.

This Trustee Tip is not legal advice. If you feel you need legal advice, consult an attorney.