

## SECTION 7. SPENDING GUIDELINES

This section is intended to provide FOL chapters general guidance that reflects the overall circumstances in which a chapter's financial planning takes place. In times of prosperity, when the County can fully fund its library system, FOL chapters can be expected to apply their resources to programs and equipment that enrich an already robust library system. During periods of economic constraint, however, the County invariably reduces its library budget, so FOL chapters may also choose to apply their financial resources toward providing the materials and services they consider essential to the maintenance of a well-functioning branch.

### **Funding Process**

The branch manager with input from branch staff members should be asked for a list of items to be considered for funding by the chapter. Ideally this would occur two times a year—in the spring and fall—but should occur at least annually in the spring. The chapter can then choose what it would like to fund from the list. The budget for the fiscal year (July 1 – June 30) would then be developed with this goal in mind.

- Requests from branch managers in excess of \$100 must be submitted to the MCPL Director for approval before presentation to the FOL chapter.
- Items purchased by a chapter become property of MCPL—not property of a specific branch.
- Items for chapter use need not be approved by MCPL. If any items were to become property of the FOL chapter, then Personal Property Tax might accrue on them. See the “Financial Responsibilities” section of this Handbook.
- FOL chapters can also suggest to the branch manager things they would like to fund.
- MCPL policy toward acceptance of gifts can change over time, and exceptions do exist on a branch-specific basis. FOL chapters should always work closely with the branch manager to establish branch needs.

### **Funding Guidelines**

- Items historically covered by the Library part of the County budget:
  - Personnel
  - Materials (collection)
  - Supplies
  - Office equipment
  - Major kitchen equipment
  - Computers
  - Furniture
- Items historically covered by the non-Library parts of the County budget:
  - Grounds maintenance
  - Custodial services

- Utilities
- Basic signage
- Items traditionally provided by FOLMC:
  - Programs
  - Volunteer appreciation funds
  - New technology and equipment
  - Staff development
  - Scholarship funds
  - Enhanced signage and minor building modifications
- Items that *may* be funded by FOL chapters and should reflect the needs of individual library branches (not in order of priority nor all-inclusive):
  - Programs
  - Substitute staffing (for a time-specific purpose to conduct a FOL-sponsored program)
  - New technology and equipment (including furniture needed for implementation)
  - **Occasional** staff appreciation (not ongoing), such as holiday parties, welcome back brunch, sponsored luncheons, and summer reading T-shirts
  - Volunteer appreciation
  - Educational items such as toys and games for children
- Items that should *not* be funded by FOL chapters: **\*\*\* COUNTY ETHICS CITATION\*\*\***
  - Sunshine Funds/Sunshine Fund Items (flowers, fruit baskets, candy, etc.)
  - Staff personal milestones (births, birthdays, deaths)
  - **Ongoing** staff appreciation (not occasional), such as kitchen supplies & equipment, candy jars, coffee, and bottled water
  - Individual memberships in other organizations (Although a chapter may hold a membership.)

### Questions to Consider

- Does it fit the mission/purpose?
- What would the donors think of this purchase?
  - Who is benefiting: patrons, staff, volunteers?
  - Does the chapter have the financial resources to fund this request?
- Is a plaque (or other permanent indication that FOL funded it) feasible/allowed?
- Is this consistent with MCPL policy?
- Other factors to consider:
  - Is additional information needed?
  - Is library staff aware of the request?
  - Is it system-wide or branch-specific?
  - Have multiple bids been sought, especially for larger purchases? (It's good to comparison shop smaller purchases too.)

### Annual Spending

A good rule of thumb is for chapters to spend 80% to 100% of the funds raised each year. Donors expect that their money will be spent for the organization's established purpose—not

placed in a bank account for an extended time. An exception would be if there were a goal to purchase an item too expensive for a single year's revenue. In such circumstances, it could be publicly announced that money is being saved toward such an acquisition.

Cash reserves may also be maintained for the long-term interest of the library, including anticipated future needs, renovations, temporary closures, severe budget cuts, or other significant occurrences.