

# Budgeting and Finance for Library Trustees



New Hampshire Library Trustees Association  
July 2024



# Introductions

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# Today's Talk

- Communicating with Stakeholders
- Determining need: Communication with staff, trustees and friends
- Creating a timeline for budget season
- Building a budget and chart of accounts

## Lunch

- Capital Improvement Plans
- Memorandum of Understanding agreements
- Grant Funding

# Additional Budget Information



New Hampshire RSAs related to libraries, budgeting, and finances:  
<https://nhlta.org/Pages/Index/228053/rsas-nh-laws>

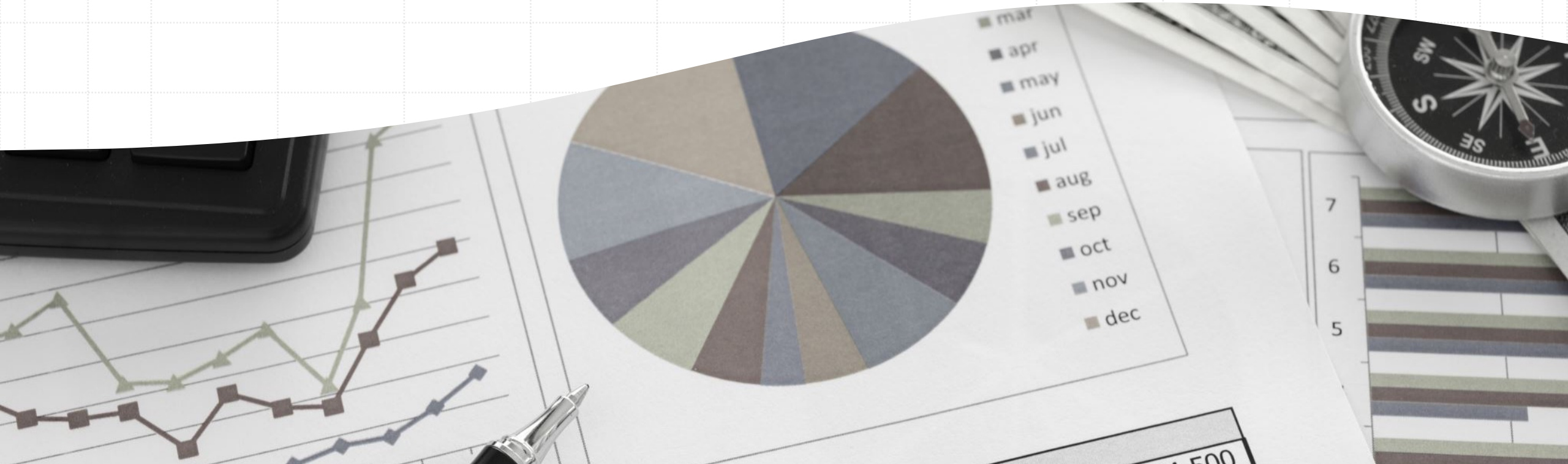


Free legal hotline for municipalities (with membership):  
<https://www.nhmunicipal.org/legal-services>



# Budgeting Basics

OR: What to do when  $2+2 = 3$   
(& other advanced math)



Net Cash Flow = Operating Cash Flow + Cash Flow from Financial Activities (Net) + Cash Flow from Investing Activities (Net)

# Potential Concerns/Questions:

- ☐ I have no training in Finance
- ☐ Budgets are complex/difficult
  - ☐ Numbers are hard
- ☐ We're volunteers! How can we know this stuff?
- ☐ I'm not very good with Excel
- ☐ So many RSA's
- ☐ How do I set priorities?

New Hampshire Statutes CHAPTER 202-A: PUBLIC LIBRARIES

$$(1+x)^n = 1 + \frac{nx}{1!} + \frac{n(n-1)x^2}{2!} + \dots$$

$$FV = PV + (I + I) + \dots$$
$$= \text{ROUND}(\text{IF}(G19=0, \text{IF}(F19=0, 0, 1), F19/G19), 5)$$

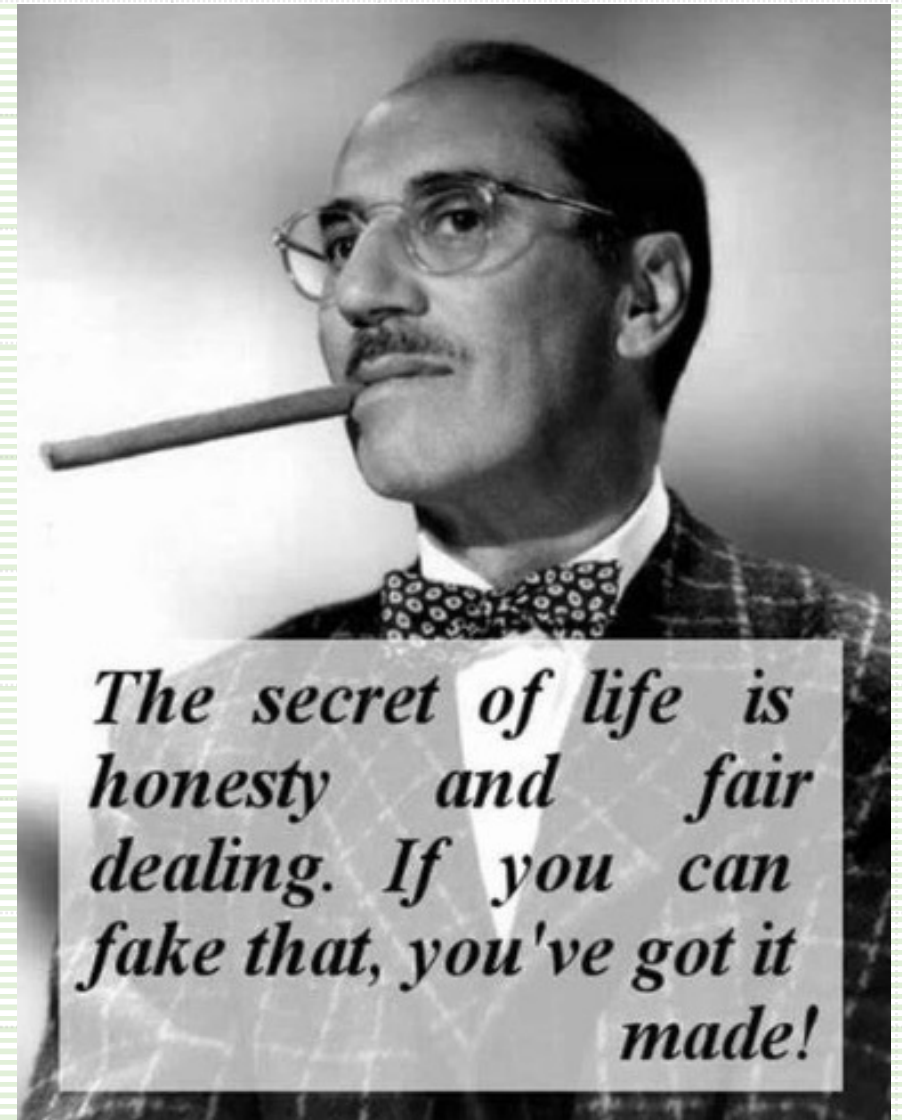


# Maybe Not so Obvious but...

Budgeting is as much a political process as it is a set of financial calculations



That doesn't mean  
you need to  
become a  
politician!





# **Libraries, Politics, and Communication**



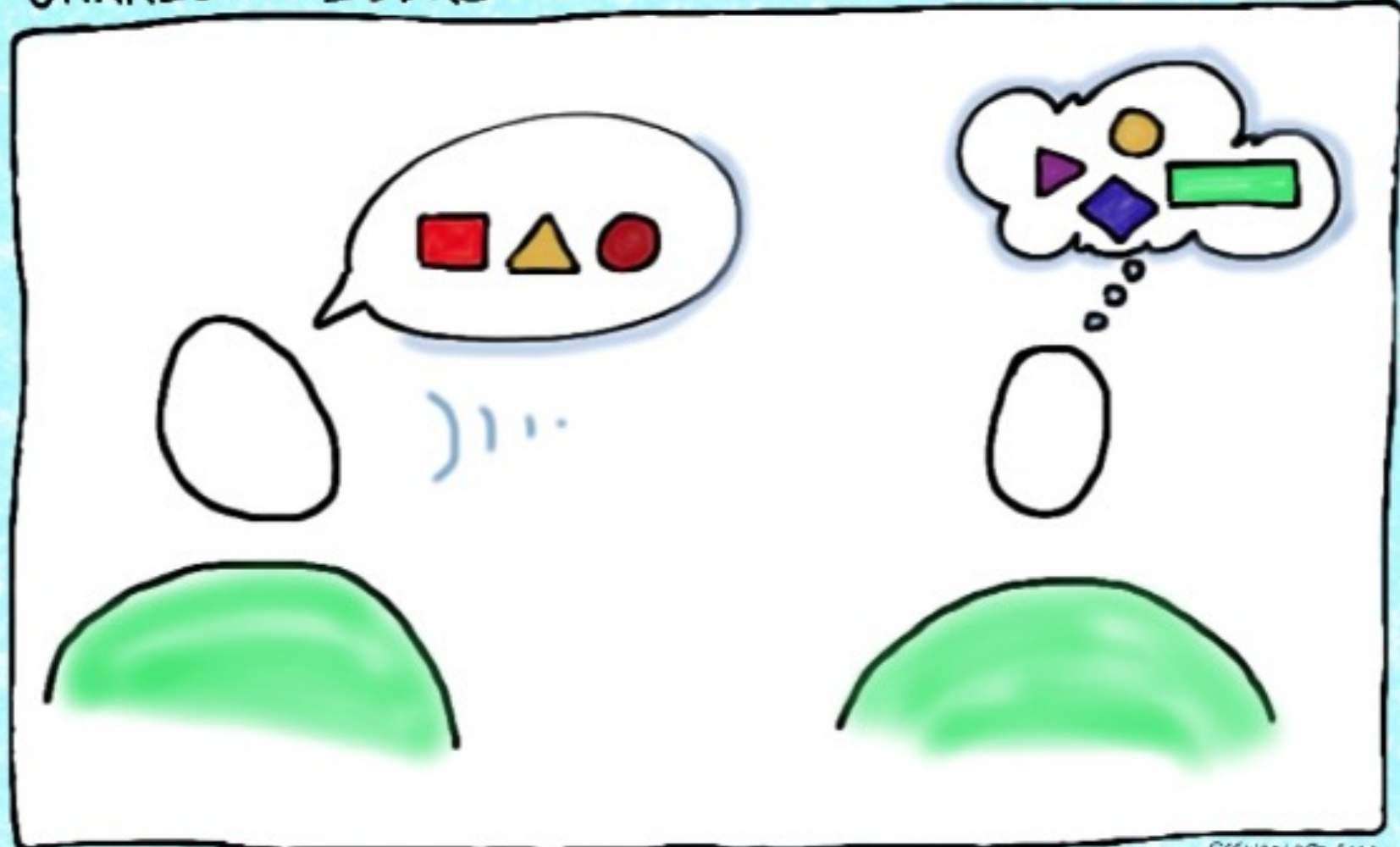
The background of the slide features a dark scene where several business professionals are walking on a floor composed of large, colorful interlocking puzzle pieces. The puzzle pieces are in shades of blue, red, purple, orange, and green. In the foreground, two men in suits are walking towards the viewer; one has a green tie and the other a red tie. Behind them, a woman in a dark dress and another person are partially visible. The overall theme suggests that business operations are like a complex puzzle.

**What  
does Communication  
have to do with Budgeting?**



• CHARLOTTE BEERS •

#MASSWOMEN 12-6-12



IT'S NOT WHAT YOU SAY,  
IT'S WHAT THEY HEAR.

SEEINCOLORS.COM





## Determining need: Communication with staff, trustees and friends



# Staff Input

Reflect on current fiscal year

- Were we able to provide the services needed?
- Did we overspend in areas?

Look ahead to next fiscal year

- Are there services we plan to discontinue or implement?
- Are changing community needs reflected in our budget?
- Are there one-time projects or grants that require additional funding?



# Friends of the Library Commitment


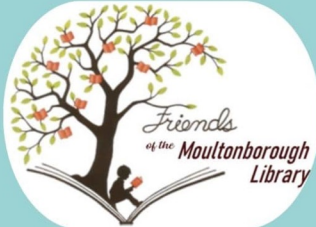

Where do goals align?

- Outreach
- Youth Programs
- Beautification projects

What have they funded in the past?

Are there new opportunities?

## FRIENDS OF THE LIBRARY



**Over \$14,000!**

YOUTH PROGRAMS	
Summer Reading	\$300
One Book, One Child	\$1,786
Easter Egg Hunt	\$350
Juggling Show	\$450
Wildlife Encounters	\$450
Children's Furniture	\$475

ADULT PROGRAMS	
Museum Passes	\$2,400
Mahjongg Cards	\$120
Soothing Herbs Class	\$375
Ruth Bader Ginsburg	\$450
Adult Craft Classes	\$1,200
Adult Speakers.	\$1,500

**2023 DONATIONS**

The Friends also contribute in many other ways:

- Book Talk
- Soup-n-Sweets
- Chocolate Fare
- Holiday Open House
- Book & Author Luncheon
- House Tour
- Mary Rice Award

**Thank You, Friends!**



# Trustees Goals and Priorities

## Considerations:

- Strategic Plan Goals/Technology Plan
- Community feedback
- Local government priorities

## Determine funding sources:

- Review expenditures by line and funding source
- Adjust as needed



# Timelines

## Trustees Annual Calendar

- Include budget planning discussions
- Deadlines for budget and warrant requests
- Important meeting dates

### JANUARY

- Board of Trustees filing dates
- Budget meeting with Selectmen and ABC

### FEBRUARY

- Budget deliberative session
- Begin review of Library/Personnel Policies
- Review Bylaws
- Town Report due at Town Hall

### MARCH

- Continue review of library policies
- Review present and future staffing needs
- Candidates Night
- Library Director's Town Report due

### APRIL

- Budget Public Hearing
- Continue review of library policies
- Review museum pass usage

### MAY

- Warrant Articles – Town Meeting
- Salary adjustment discussion

### JUNE

- Book sale set-up and preparation
- Review of Director and Staff performance reviews
- Elect Board officers
- Nominate potential Alternate Trustees
- Photo- Board members for website
- NHLTA Spring Conference

### JULY

- Book Sale
- No trustee meeting

### AUGUST

- Review and prepare possible CIPC items
- Technology update
- Update Capital Improvement plan

### SEPTEMBER

- CIPC documentation due for board discussion/warrant request
- Review Holiday Calendar

### OCTOBER

- CIPC Presentation
- Review non-resident card policy
- Review Town Administrator's Budget Guidelines/dates
- First review of proposed budget
- Comparative salary statistics for ABC
- Plan staff appreciation brunch/gifts

### NOVEMBER

- Santa Fund
- Discuss and review ROLLOVER FOR CD FUNDS coming due in December
- Final Budget and warrant articles due
- Trustee candidate update
- Final preparation for staff appreciation brunch/gifts

### DECEMBER

- Final Budget to town hall
- Staff-Trustee Holiday Brunch

# Timelines

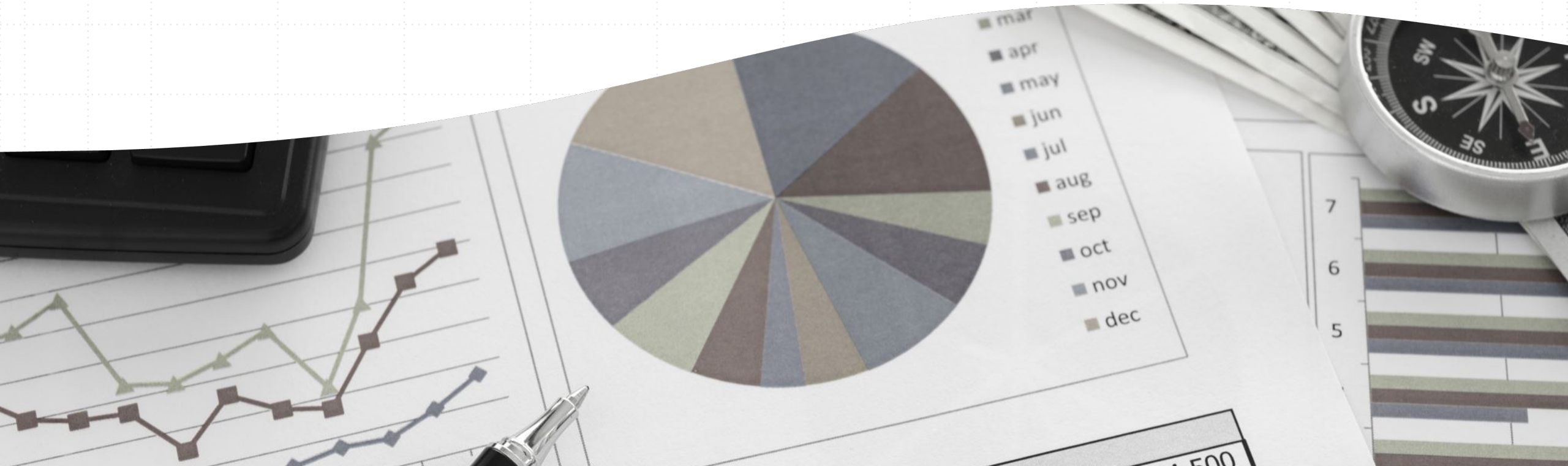
## Director Budget Planning Calendar

- Discussions with staff, Friends of the Library, and trustees
- Confirmation of pricing from vendors
- Schedule attendance for meetings and public hearings
- Deadlines for:
  - Budget proposal
  - Warrant articles
  - CIP update



# Budgeting Basics

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# Potential Concerns/Questions:

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New Hampshire Statutes CHAPTER 202-A: PUBLIC  
LIBRARIES

=ROUND(IF(G19=0, IF(F19=0, 0, 1),  
F19/G19),5)







## Budget

*['bə-ʃət]*

An estimation of revenue and expenses over a specified future period of time that is re-evaluated on a periodic basis.

# Quick and Dirty Budget Elements

- ❖ Recognize that labor will likely be 75%-82% of your budget
- ❖ Consider your Library's strategy
- ❖ Do you have contractual or maintenance obligations?



- ❓ How do you determine how much money to ask for?
- ❓ How do you come to those numbers?
- ❓ Have you factored in contracts, CPI, Inflation?

These questions may be useful in helping folks down the problem-solving path:

How do you develop parameters (High/Low) numbers?

What are extensions and how do they help with this?

$$FV = PV \times (1 + i)^n$$



# Where to Start?

## It should all start with a Chart of Accounts

A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

Account Name	Type	Detail Type
Income: Appropriation	Income	
Income: Other	Income	
Interest: Checking Account	Interest	
Interest: Other	Interest	
Personnel Expenses: Salaries & Wages	Expenditure	Personnel Expense
Personnel Expenses: Social Security	Expenditure	Personnel Expense
Personnel Expenses: Medicare	Expenditure	Personnel Expense
Personnel Expenses: Benefits	Expenditure	Personnel Expense
Personnel Expenses: NH Retirement	Expenditure	Personnel Expense
Personnel Expenses: Other	Expenditure	Personnel Expense
Personnel Expenses: Payroll Expenses	Expenditure	Personnel Expense
Personnel Expenses: Background Checks	Expenditure	Personnel Expense
Personnel Expenses: Miscellaneous - Other	Expenditure	Personnel Expense



# The Chart of Accounts

A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

## Your COA should only be as granular as your NEEDS –

Primary headings include:

Revenue

Expenses

Labor

Labor Associated Costs

Contracted Expenses

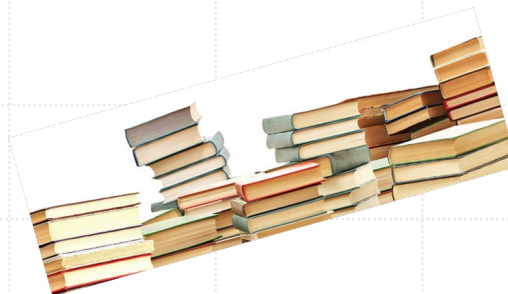
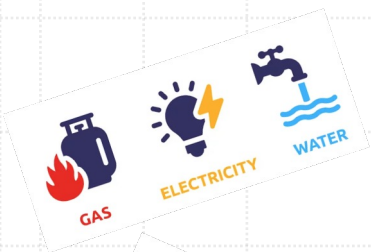
Materials

Programming

Utilities

Maintenance

Supplies



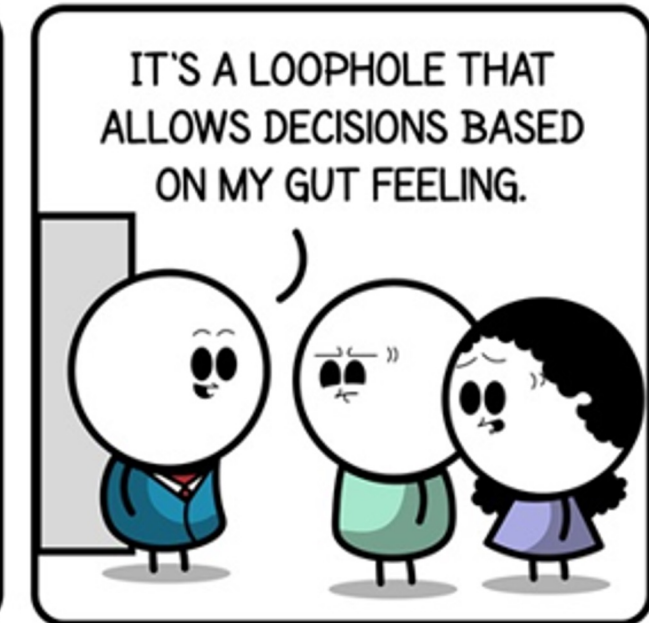
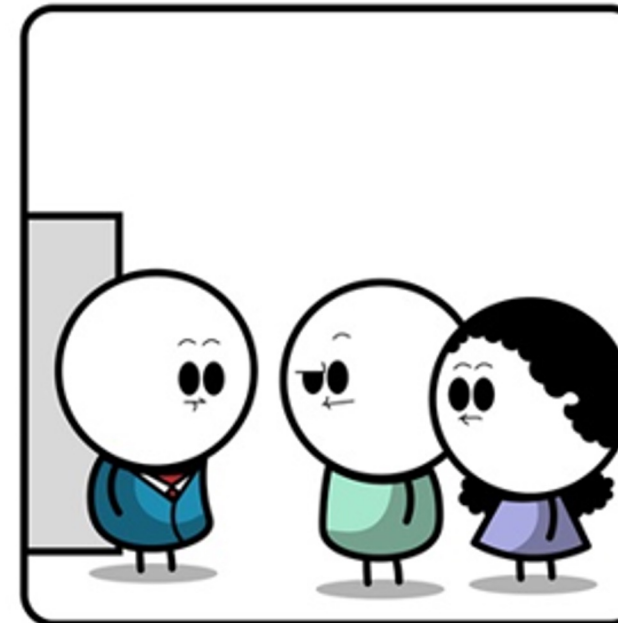
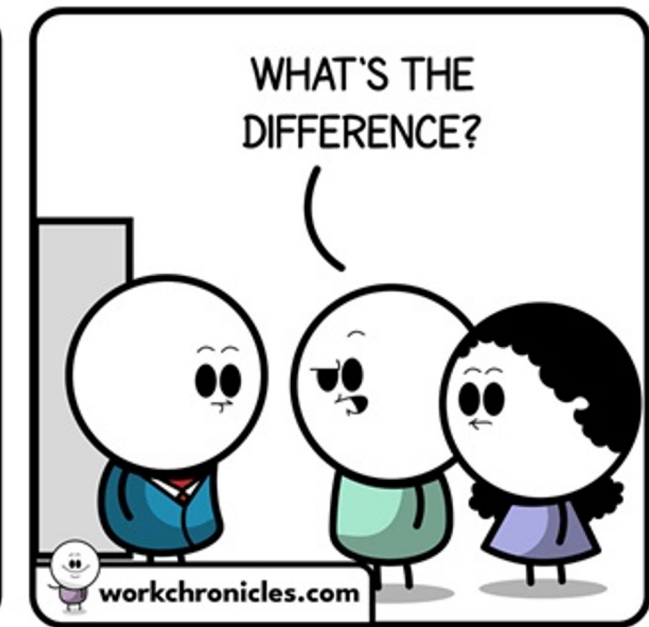
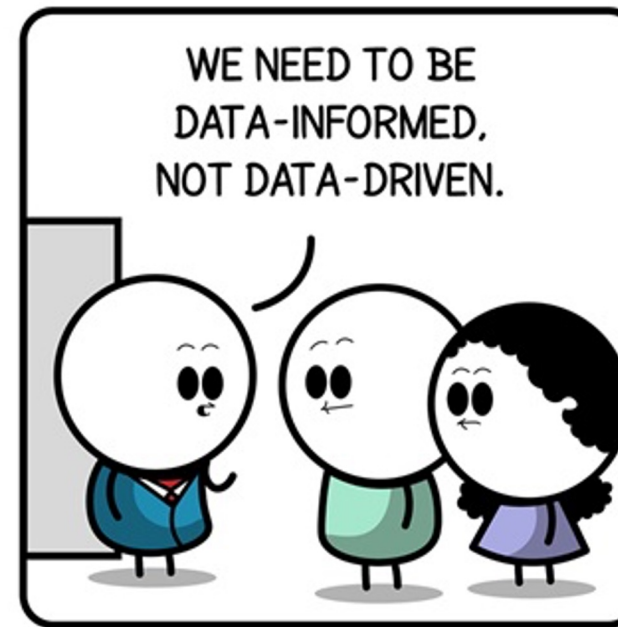
How do we define NEEDS?

We start with DATA

Turn it into INFORMATION

And make DECISIONS

BASED ON THE DATA



# The Chart of Accounts

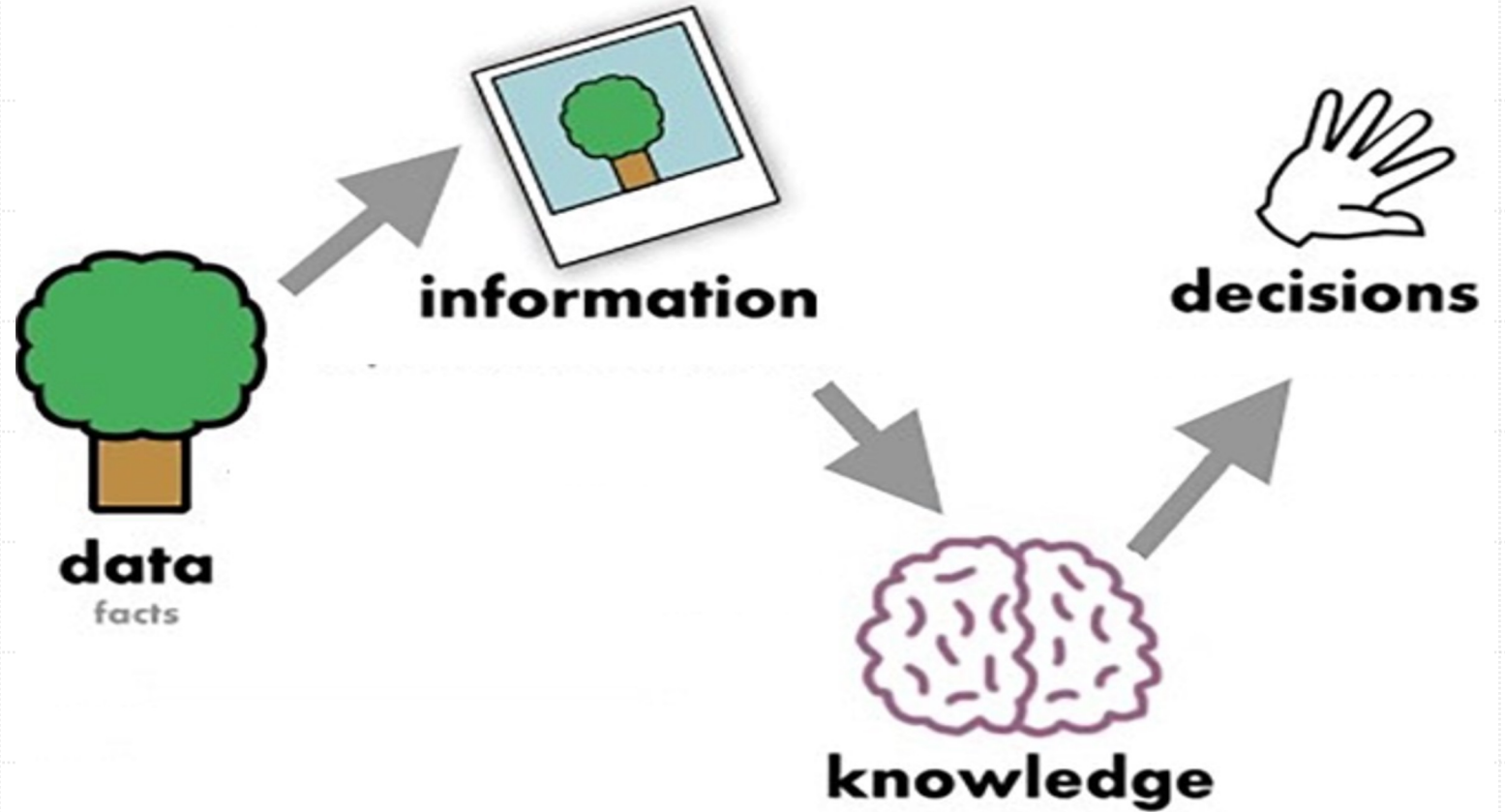
A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

How do I know if I NEED an Account in the COA for a category of Expense?

Seth Godin:  
“Data is not useful  
until it becomes  
information.”

What do you want  
information  
about?

WHY?



# The Chart of Accounts

A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

## Rough Guide:

Fewer than 20 categories in the COA

- May not give you enough detail

More than 60 categories in the COA

- Might be too much detail

Utilities/Facilities: Electricity
Utilities/Facilities: Gas (Heat)
Utilities/Facilities: Telephone/Internet
Utilities/Facilities: Water
Utilities/Facilities: Security
Utilities/Facilities: Equipment/Furniture
Utilities/Facilities: Repairs and Maintenance

Contracted Services: Custodial
Contracted Services: Landscaping/Grounds
Contracted Services: Website Hosting
Contracted Services: Insurance/WC
Contracted Services: Bookkeeping
Contracted Services: Other

The COA allows you to respond to:

- The Select Board
- The Budget Committee
- Yourselfes!
- Auditors
- Staff



# Interlude

## ... Let's create a Chart of Accounts

Collections

**Books**

Adult

Fiction

Mystery

SciFi/Fantasy

Non-Fic

Biography

T/ween

Fiction

Graphics

Non-Fiction

Children

Board Books

Early Readers

J Fic

**Other**

**Digital**

Books on

CD

DVDs

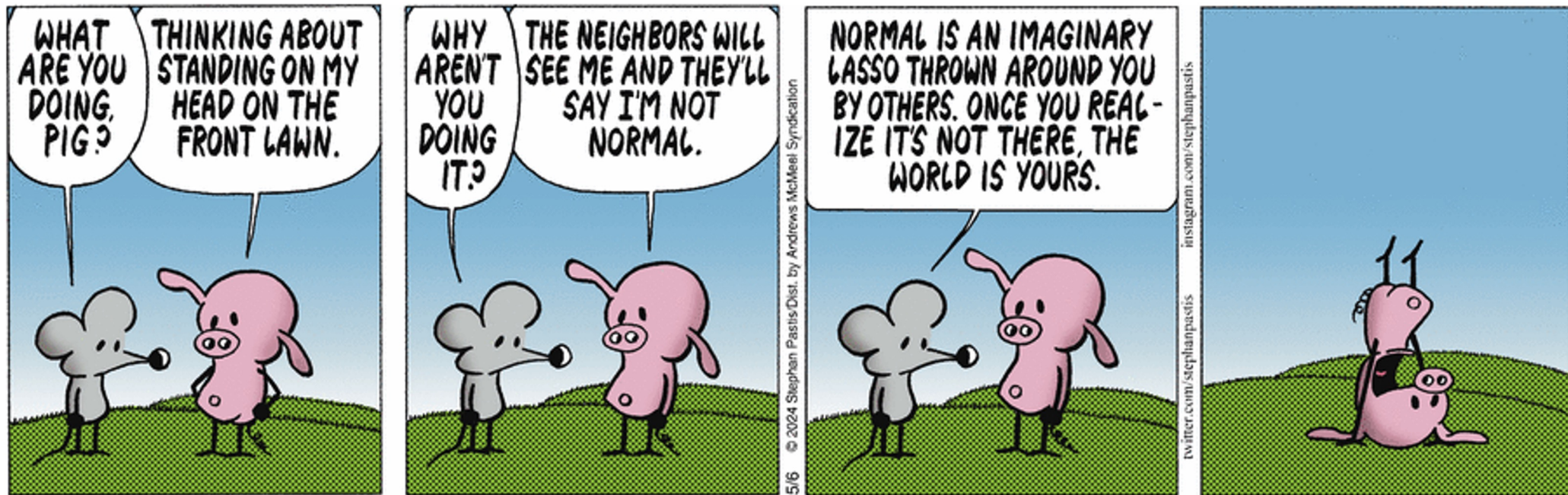
**ECollections**

NHDB

Hoopla

Kanopy

# Don't let yourself get boxed in!



# Auditors and You



While meeting the needs of your community, Select Board, and Budget Committee is important, always bear in mind that you must meet the needs of the State Auditors contracted by your city/town and be able to support all the financial transactions that have occurred over the course of the fiscal year.

This has less to do with budgeting and much more to do with good record keeping. That said, a good Chart of Accounts will lend itself to ease of record keeping and support of transactions in Accounts Receivable and Accounts Payable.

# Let's take a break again and talk about RSAs

## What are RSAs (Revised States Annotated)?

The New Hampshire Revised Statutes Annotated forms the codified law of the state subordinate to the New Hampshire State Constitution.

## How do these apply to Libraries?

The main body of New Hampshire law relating to Public Libraries is contained in RSA 202-A.

# So where were we? (Hint: the Chart of Accounts)

How to turn your Chart of Accounts into a Budget template:

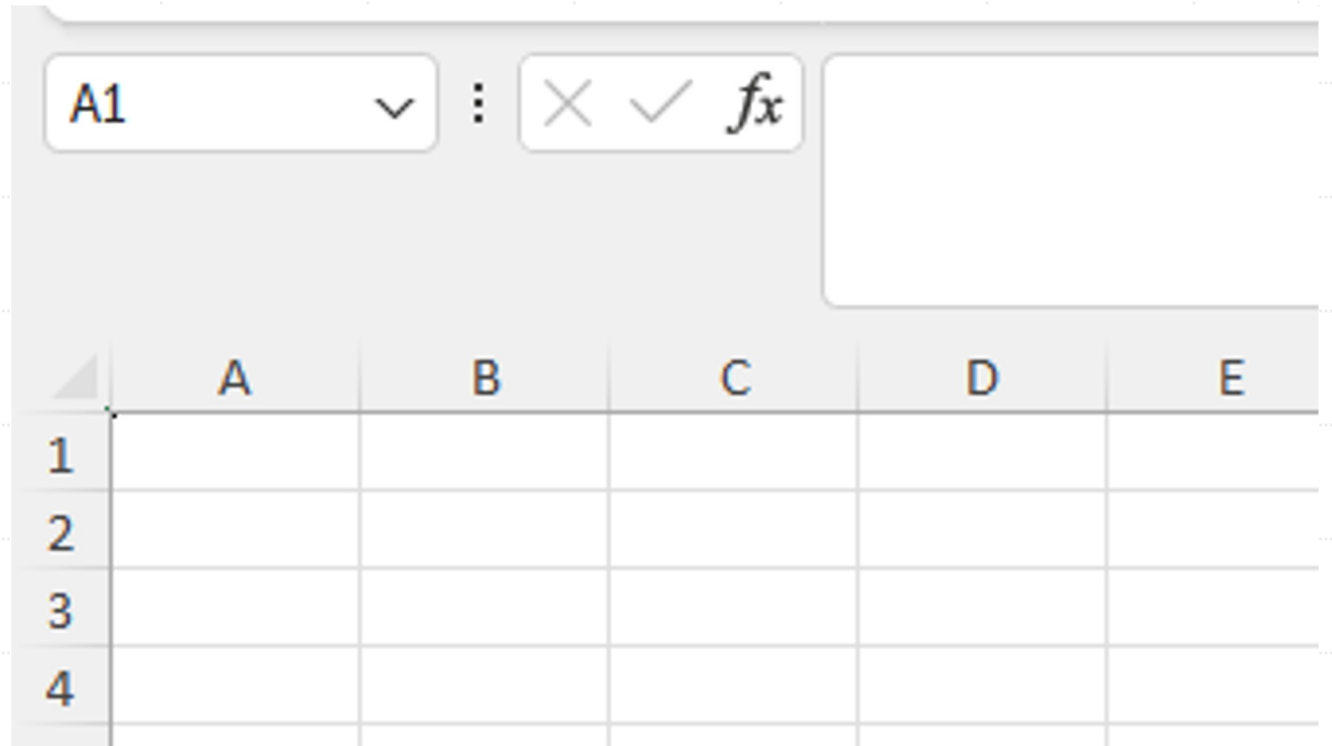
When you have determined what accounts you will include in your COA, you'll input them into Excel. It might look similar to this:

<b>Income</b>		
	Appropriation	
	Other Income	
	Other (Interest)	
<b>Total Income</b>		
<b>Expense</b>		
	Personnel Expenses	
		Salaries & Wages
		Social Security
		Benefits
		NH Retirement
		Personnel Expenses - Other
		Payroll Expenses
	Total Personnel Expenses	
	Materials	
		Materials - Other
		Books
		Magazines/Newspapers
		NHDB

# Ok, so you have a Chart of Accounts. What's next?

Woohoo!!

It's time to talk about Excel!



# Ok, so you have a Chart of Accounts. What's next?

It's time to build a framework!  
You'll need an Excel Workbook  
With at least 2 worksheets

Sheet 1 equals your budget calculations

Sheet 2 equals your compensation  
calculations

# It will look something like this:

				Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense							
	Income						
		Appropriation		243,132.00	421,700.00	-178,568.00	57.66%
		Other Income					
		Checking Account Interest					
		Other (Interest)					
	Total Income			243,132.00	421,700.00	-178,568.00	57.66%
Expense							
	Personnel Expenses						
		Salaries & Wages		110,292.67	226,540.00	-116,247.33	48.69%
		Social Security		7,890.49	17,570.00	-9,679.51	44.91%
		Benefits		14,827.85	65,222.00	-50,394.15	22.73%
		NH Retirement		5,940.56	14,480.00	-8,539.44	41.03%
		Personnel Expenses - Other				0.00	0.0%
		Payroll Expenses		1,196.64	1,580.00	-383.36	75.74%
	Total Personnel Expenses			140,148.21	325,392.00	-185,243.79	43.07%
	Materials						
		Materials - Other				0.00	0.0%
		Books		11,724.64	18,440.00	-6,715.36	63.58%
		Magazines/Newspapers		1,119.98	1,800.00	-680.02	62.22%
		NHDB					



# What's up with all those numbers?

				Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense							
	Income						
		Appropriation		243,132.00	421,700.00	-178,568.00	57.66%
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		NHDB					

# Even More Numbers!?

		Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget	Projected @ 12.31.2023	2024 Budget	
Personnel Expenses								
								Includes all wages - Please see
	Salaries & Wages	110,292.67	226,540.00	-116,247.33	48.69%	163,863.40	232,571.70	comp worksheet for detail
	Social Security	7,890.49	17,570.00	-9,679.51	44.91%	11,723.01	14,419.45	1.45% of total
	Medicare			0.00	0.0%	0.00	3,372.29	.62% of total
	Workers Compensation			0.00	0.0%	0.00	0.00	
	NH SUI			0.00	0.0%	0.00	0.00	
	Benefits	14,827.85	65,222.00	-50,394.15	22.73%	22,029.95	32,000.00	Healthcare, Life, STD, LTD
	NH Retirement	5,940.56	14,480.00	-8,539.44	41.03%	8,825.97	19,114.16	NHRS - rates set by NHRS
	Personnel Expenses - Other			0.00	0.0%	0.00	0.00	
	Payroll Expenses	1,196.64	1,580.00	-383.36	75.74%	1,777.87	2,000.00	ADP, Bank Fees (ACH)
Utilities/Facilities								
	Electricity	21,178.62	27,000.00	-5,821.38	78.44%		27,000.00	
	Gas (Heat)	631.95	1,200.00	-568.05	52.66%		1,200.00	
								Telephone, Internet
	Telephone/Internet	2,827.75	4,118.00	-1,290.25	68.67%	4,201.23	4,200.00	connection, static IP
	Water	560.91	1,000.00	-439.09	56.09%		1,000.00	
	Security			0.00	0.0%	0.00	1,000.00	

The background is a dense, overlapping field of 3D numbers. The numbers are in two colors: white and orange. They are rendered with a 3D effect, showing shadows and highlights. A semi-transparent white banner is positioned at the bottom of the image, containing the text "No More Numbers!".

**No More Numbers!**



Questions?

# Capital Improvement Plans

“The best planning tool you aren’t using”

-New Hampshire Municipal Association

Purpose: Plan for large purchases

Benefits:

- Identify and make known future expenses
- Reduce likelihood for tax spikes
- Prevent emergency replacements
- Prepare for grant opportunities



Peterborough Town  
Library



Madbury Public Library



Gilman Library, Alton



Keene Public Library



Wolfeboro Public  
Library



# Planning for a CIP

How will a plan fit into operations?

- Discussion among library board and director
- Discussion with Town Planner and/or Town CIP Committee

Identify:

- Current inventory requiring future replacements
- Future needs
- Library/Town priorities







# Funding for a CIP

- Create reserve fund by warrant article
- Fund it annually by warrant article

## Example: Library Capital Reserve

*To see if the Town will vote to raise and appropriate the sum of Thirty-Five Thousand Dollars (\$35,000) to be placed in the Library Building Repairs and Maintenance Capital Reserve Fund.*



# Maintaining a CIP

- Meet with vendors/DPW to determine projected life expectancies
- Determine annual request requirements
- Review plan annually
- Share plan with CIP Committee as part of budget process

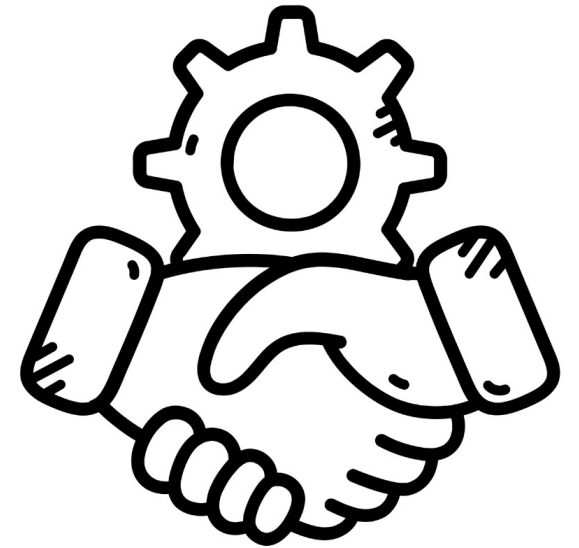


# Memorandum of Understanding

Do I need one?

Benefits:

- Clarifies who is financially responsible for library property and maintenance
- Clarifies scope of work provided by the town for the library property
- Outlines trustees' authority and responsibilities
- Useful during budgeting process
- Promotes consistency during transition periods



### SERVICES COVERED:

The Town agrees that it will provide the following maintenance services to the Library to the extent these items can be paid for through available funds or performed by staff time within existing staffing levels:

- 1) Heating and cooling system minor repairs
- 2) Plumbing repairs
- 3) Exterior building upkeep, including siding repair, overhangs, oil fill valves, roofing, windows, and painting
- 4) Exterminator services for the building
- 5) Interior spot painting when needed
- 6) Electrical issues
- 7) Replacement of full lighting fixtures and light bulb replacement as needed
- 8) Minor repair of doors
- 9) Landscaping of grounds (excluding gardens), snow removal including walkways, adjacent parking lot, and if necessary, in the judgment of the Public Works Department Director, the roof
- 10) Tree removal
- 11) Trash and recycling removal

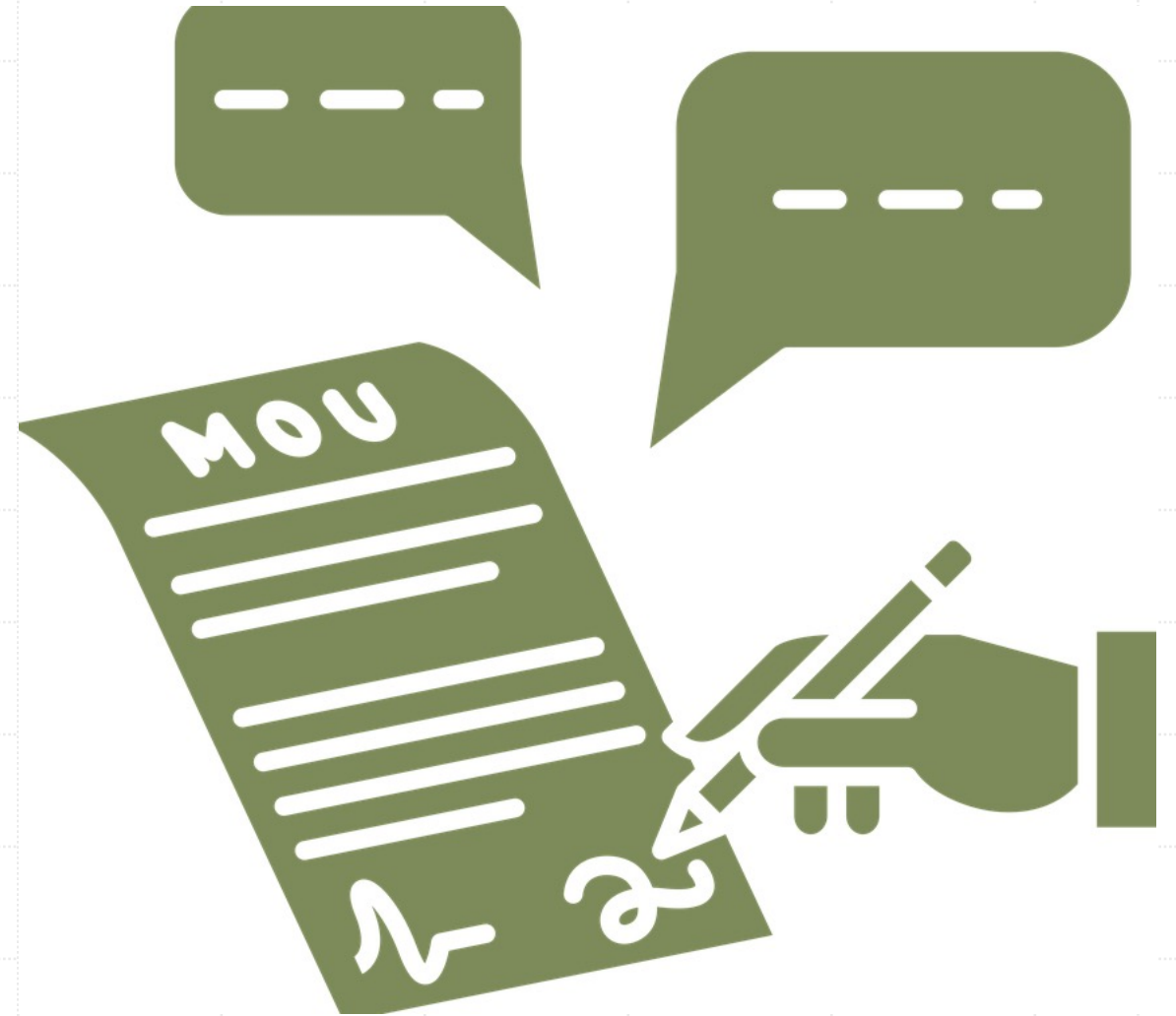
The Library agrees that it is responsible for the following maintenance of the Library building and all associated costs:

- 1) Interior cleaning and purchasing of supplies needed
- 2) Moving or adding electrical outlets
- 3) All wiring needed to run library technology
- 4) Installing interior carpeting and other flooring
- 5) Large-scale interior painting projects
- 6) Garden maintenance, irrigation, and planting
- 7) Exterior cleaning, including power washing and window washing

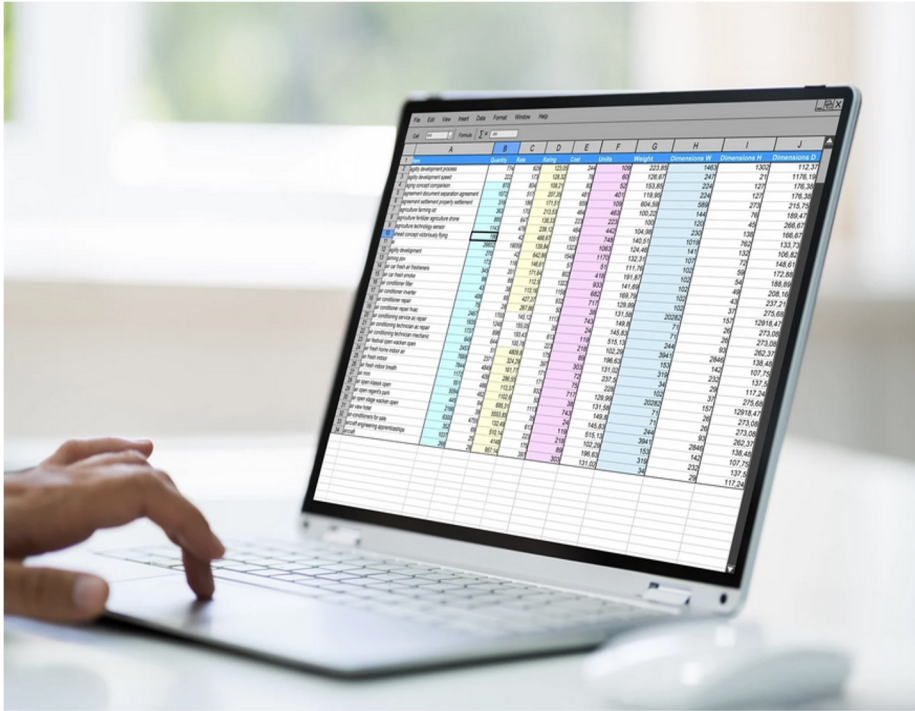


# MOU How-To

- Determine what is needed from an MOU
- Discuss the opportunity with Town officials and boards
- Review MOU templates (available on [NHLTA website](#))
- Draft MOU
- Both Library and Town Boards vote to adopt agreement



# Grant Funding



When to apply:

- What are needs/priorities
- Do missions align?

Tracking:

- Determine which account to accept and expend funds from
- Document transactions in monthly and annual financial reports
- Director and Trustee Treasurer work closely to meet deadlines and reporting requirements



# Questions?

# Contact Us

BRITTANY DURGIN



603-476-8895



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