



Budget and Finance Policy

Approved by the Lawrence Public Library Board of Trustees on 01/17/2001. Revised 11/18/2002; 08/21/2006; 11/20/2007; 02/24/2011; 01/21/2019; 05/15/2023; 05/18/2026. Next review date: 05/2029

Budget Preparation

The Lawrence Public Library annual budget will be based on the current and future needs of the Library as defined in its mission and vision statements, values, and strategic plan.

At the May Library Board meeting each year, the Library Director will present the recommended budget to the Board of Trustees for review. The approved budget will be submitted to the City for inclusion in the City Manager's Recommended Budget.

Budget Resolution of Intent

Libraries are taxing subdivisions and every Kansas public library board is required to adopt a resolution in order to make any increase over the preceding year's tax income. At the May Library Board meeting each year, the Lawrence Public Library Board of Trustees will pass a resolution of intent to increase tax income and submit that resolution to the City of Lawrence along with the library's budget proposal. The levy rate resulting from the budget proposal must fall within the limit set by the local charter ordinance (see Appendix).

Allocation of Library Funds by the City of Lawrence

Once the Library budget is approved and filed with the County Clerk, the appropriation shall not be used by the municipality for any other purpose.

Source of Funds for the Library Budget

Although the total income of Lawrence Public Library is derived from a variety of sources, such as grants and memorials, the basic budget depends on revenue from the City's mill levy

designated for the Library. In order to be eligible for state aid each year, the Lawrence Public Library must receive the same amount or more in City revenue as it did the preceding year.

Once a year, the Library's auditors will obtain information from the County Treasurer's office regarding the dollar amount sent to the City on behalf of the Library. The amount will be reported to the Library Board.

Additional funding for operations or special projects may be given by the Lawrence Public Library Friends and Foundation, a separate charitable organization not under the umbrella of the municipality.

Expenditure of Library Funds

The Library Director has a responsibility to provide effective control and accountability for all funds, property and assets, with assurances that they are used solely for authorized purposes. This position is also responsible to provide an accurate, current, and complete disclosure of the Library's financial records in a manner that fully identifies the source and use of funds. The Library Accounting Coordinator conducts the day-to-day maintenance of all financial functions and provides the Library Board with monthly financial reports.

Supporting documentation, such as all bank records, paid bills, payroll, and contract and grant award documentation will be maintained in accordance with recommendations from the accounting firm conducting the library audit.

All banking is done with banks with full service locations within the city limits of Lawrence, except when the library chooses to invest excess funds in the Municipal Investment Pool governed by the State of Kansas Pooled Money Investment Board. Requests for proposals will be issued and reviewed periodically to obtain the necessary depository and banking services for the Library's operating accounts from a qualified and responsive financial institution at a competitive price.

When feasible, local vendors will be used for purchases. Payment to vendors is made monthly. Normally, vendors are paid 30-45 days from the invoice date. Patron refund checks will not be written for less than \$5.00.

Effective control and accountability for the petty cash fund will be maintained by the Library Accounting Coordinator.

In accordance with the “cash basis law,” the Library Board will not incur indebtedness in excess of money on hand or budgeted (K.S.A. 10-1113).

Returned Checks or Electronic Transaction Chargebacks

Library patrons who submit a worthless check (insufficient funds, account closed, or refer to maker) or whose electronic transaction is charged back to the Library, will be sent a certified letter via U.S. Mail to provide notification that the transaction has been returned to the Library. Any payments made with the returned transaction and credited to the patron’s library account will be added back to the account. A \$30.00 service charge, as provided for by Kansas law, will also be added to the patron’s account. If complete restitution is not made within 14 days of the mailing of the certified letter notification, the Library may pursue prosecution with the Douglas County District Attorney’s office.

Capital Improvements Fund

The Library Board may approve the transfer of funds to the Library’s Capital Improvement Fund each year in accordance with K.S.A. 12-1258. The amount of funds transferred to the Capital Improvement Fund may not exceed 10 percent of the certified operating tax budget.

Financial Audits

Each year, a financial audit will be performed. Library financial records and minutes of Library Board meetings will be made available as part of the audit. The Accounting Coordinator will provide financial records and assistance as requested to the accounting firm conducting the library audit. A copy of the resulting audit report will be provided to the City Finance Department and will be presented at a regular meeting of the Library Board.

Appendix

CHARTER ORDINANCE No. 16

A CHARTER ORDINANCE RELATING TO THE BOARD OF DIRECTORS OF THE FREE PUBLIC LIBRARY OF THE CITY OF LAWRENCE, KANSAS, BY REPEALING CHARTER ORDINANCE NOS. 2, 7, 8, AND CHARTER ORDINANCE NO. 10, OF THE CITY OF LAWRENCE, KANSAS, AND PROVIDING SUBSTITUTE PROVISIONS ON THE SAME SUBJECT.

Section 1. That pursuant to the provisions of Section 5(c) of Article 12, of the Constitution of the State of Kansas, the City of Lawrence, Kansas, hereby elects the following provisions shall establish the maximum allowable mill levy limit of the Lawrence Free Public Library:

“The Governing Body of the City of Lawrence, shall annually levy a tax for the equipping, operating and maintaining of the Free Public Library of the City of Lawrence, Kansas, in such sum as the Library Board shall determine not to exceed 4.0 mills on each dollar of the assessed tangible valuation of the City and an additional sum not to exceed .5 mills on each dollar of the assessed tangible valuation of the City for the purpose of paying both the Library’s social security tax and contributions to the Kansas Public Employees Retirement System (KPERs). Any future increase or decrease to the tax levy provisions of this Section may be made by ordinary ordinance by the Governing Body of the City of Lawrence.”

Section 4. That Charter Ordinance no. 2, Charter Ordinance No. 7, Charter Ordinance No. 8, and Charter Ordinance No. 10, of the City of Lawrence, Kansas, are hereby repealed and of no further force and effect.

(11-3-81)