

FINANCE & BUDGET ESSENTIALS
CHECKLIST FOR ALL PUBLIC LIBRARIES

- ❑ Develop an annual budget based on the library's strategic plan and other key objectives for approval by the library governing authority. Library Districts: Comply with Colorado requirements outlined in law, C.R.S. § 24-90-109(1)(d); (e)(II); & (I)(II) and § 29-1-101, et seq., and the Department of Local Affairs Local Government Budget Calendar.
- ❑ Prepare and review monthly financial statements that include comparison to budgeted amounts and make financial information available to the public to ensure responsible and transparent use of funds.
- ❑ Establish policies and procedures for the library's financial management, including budgeting, purchasing approvals, procurement, contracts, reimbursement, petty cash, etc. Library Districts: Additional policies and procedures include records retention, budget processes, contracts, control of asset disposal, annual audits, reserve funds, etc.
- ❑ Maintain reliable bookkeeping software with scheduled funding updates, security, password access, and back up, rather than financial details saved on a single device.
- ❑ Prepare, review, and approve the budget. In coordination with the library director and other financial library staff, the governing authority approves the budget and expenditures and tracks expenditures and reports. Library Districts: The board of trustees approves the budget and large expenditures as defined by policy. Municipal, County, Other Libraries: The town and/or county governance oversees the budget and expenditures. The library board advises on and advocates for expenditures in alignment with the strategic plan.
- ❑ Use group purchases and collective bargaining opportunities to expend funds effectively and efficiently.
- ❑ Follow financial management guidelines and fiscal procedures consistent with federal and state law and local government requirements.
- ❑ Participate in the State Grants to Libraries program administered by the Colorado State Library.
- ❑ Develop a long-term finance plan (minimum three years) in conjunction with the library's strategic plan to identify resources that address future needs of the community. The long-term financial plan includes categories and amounts that are tracked and updated over time.
- ❑ Determine product life cycles when purchasing new products and budget for repairs and spare parts if the library is able to support any equipment beyond its warranty period.

- ❑ Contract with local and/or minority owned businesses when feasible.
- ❑ Library Districts: Commission and accept an independent financial audit as required by law for library districts. Municipal, County, Other Libraries: Participate in audits as required by the local library governing authority.
- ❑ Library Districts: Develop fund balance policies to always ensure appropriate levels of funds and in consideration of TABOR requirements when applicable; develop policies to address situations when funds are used as well as when targeted fund balances are not achieved.

BUDGET & FINANCE ESSENTIALS + CHECKLIST FOR LARGER LIBRARIES

- ❑ Explore local, state, and national fundraising opportunities, sponsorships, partnerships, grants, donations, and gifts for special projects or as a supplement to local funding.
- ❑ Establish financial policies and procedures, when relevant, to address audits, capital assets, investments, borrowing, etc.
- ❑ Analyze the budget and expenditures annually including using peer library comparison data, performance toward goals, and other standards and best practices.
- ❑ Engage with professional organizations that support development and resources in financial best practices, such as the Government Finance Officers Association and the Colorado Government Finance Officers Association.
- ❑ Encourage community financial contributions through Friends, foundations, philanthropists, and/or other organizations.
- ❑ Develop a capital infrastructure plan with a depreciation schedule for library assets, a multi-year capital replacement plan with estimated budget amounts for depreciation, and when appropriate, an established asset reserve account for replacement and construction costs.
- ❑ Foster a library culture of philanthropy and employee giving through events and systems, such as payroll deduction.