Finance

A key responsibility of the board is to seek and secure funding from public and private sources and to monitor those funds in a way that supports the long-term sustainability of the library district.

The library director administers a board approved budget. The director presents monthly financial reports to the board and makes them available to the public. It is essential that libraries are as transparent as possible concerning the use of public money. Libraries should be proactive in this regard, distributing information on a consistent and reliable basis.

The library district’s financial records are audited, as directed by the Revised Statutes of Missouri. The district maintains insurance adequate for the protection of district staff and board.

Standards

1. The library district has a minimum tax rate of $.20 per hundred dollars of assessed valuation, or a minimum support of $25.00 per capita from all local funds.

2. The library district follows fiscal procedures consistent with state law in preparing, presenting, and administering its budget.

3. The director presents financial and statistical reports for review at each meeting of the board and makes them available to members of the public.

4. The library district maintains reserve funds for maintaining facilities and the replacement of furniture and equipment. These reserve funds reflect the future needs of the library district.

5. Library districts with a budget over $1 million are annually audited by an independent C.P.A. firm with experience in governmental accounting. Library districts with a budget under $1 million regularly conduct a financial review by an independent source with experience in governmental accounting.

6. The library district has insurance adequate to protect the district and its public.

7. The library district has a Conflict of Interest Policy.
Guidelines

1. Fund balances of the library district are optimally invested within the legal parameters established by Missouri statutes and investment plans are reviewed annually. *Standard #2*

2. The library district complies with State Library requirements for reporting budget figures. *Standard #2*

3. Support from other local government entities, or grants and donations, may be used as local support. *Standard #2*

4. State and federal funding is not counted in calculating local support. *Standard #2*

5. Per capita support is expressed in 2013 dollars and is regularly adjusted for inflation. *Standard #1*

6. The board of trustees of the library district reviews and adopts an annual written budget presented by the director of the library district, as prescribed by the *Revised Statutes of Missouri*. *Standard #2*

7. Monthly documents reflecting budgetary balances and expenditures are presented to the board of trustees of the library district. *Standard #3*

8. The library district makes budgetary, auditing, management and reporting documents available for easy inspection by the public. *Standard #3*

9. The library district, as a corporate body and political subdivision of the State of Missouri, certifies a tax rate in a manner prescribed by the *Revised Statutes of Missouri*. *Standard #2*

10. The library district maintains an operational reserve fund to cover up to one year of expenses, and a separate capital fund for maintaining facilities and the replacement of furniture and equipment. *Standard #4*

11. Accounting firms providing audits or financial reviews are familiar with rulings by the Governmental Accounting Standards Board. *Standard #5*

12. An audit and management letter is sent to the State Library, the State Auditor, and the district’s board-appointing bodies. *Standard #5*

13. The library district maintains liability insurance. *Standard #6*
14. The library district bonds staff and board members with access to significant money. *Standard #6*

15. The library district carries an errors and omissions policy on its board and staff. *Standard #6*

16. The library district has a policy outlining their own method of disclosing conflicts of interest as prescribed by the *Revised Statutes of Missouri*. *Standard #7*