

VCBC Public Library Financial policy and procedure

Adopted and approved March 2025

Background:

The VCBC Public Library is funded by the following sources:

- 1) Barnes County government
- 2) Valley City government
- 3) ND State Library allocations
- 4) Donations
- 5) Grants

The VCBC Public Library expenses can be divided into two major categories:

- 1) Day to Day operations which include:
 - a. Who we are - Salaries for Staff
 - b. What we do - Expenses on materials and programming
 - c. Technology
 - d. Day-to-day building maintenance
- 2) Maintenance of the building related to preservation, structure and equipment

In order to make sure that resources are available and are transparent to the public, the VCBC Public Library commits to maintaining three separate bank accounts at 2 different local banks.

- 1) **Dakota Bank – General Fund:** account used for the day-to-day operations. The monies received from the city, county, and state library are deposited into this account. The account balance will be \$100,000 on Jan 1st as a general reserve and ensure cash flow for operations.
- 2) **Dakota Bank – Memorial account:** Money in this account will be used for special projects, new initiatives, and as matching money for grants. This account will be utilized in case a budget shortfall occurs. Money received from donations and grants with a specific purpose related to the day-to-day operations of the VCBC Public Library are deposited in this account.
- 3) **FCCU – Capital improvement account:** Money in this account is set aside to be used for major maintenance projects of the VCBCPL building outside of normal maintenance included in the operations budget. Money in excess of \$100,000 balance in the General Fund will be transferred to capital improvements during budget reconciliation during the February board meeting until the balance is \$50,000 on Jan 1st of each year.

Procedure:

At the March board meeting the Board of Directors will reconcile the finances of the previous year. The Board of Directors will vote on the following items related to finances.

- 1) Identify if any maintenance falls under major maintenance and needs to be expensed to the Capital improvement account.

- 2) Identify items in the general budget that should be paid for from the memorial account as money was specifically donated for that purpose or items that were paid for through a grant.
- 3) Vote to move money in excess of \$100,000 from the general fund to the capital improvement account in case of budget surplus.
 - Unless the capital Improvement account is at \$50,000 on March 1st then money moves to the memorial account.
- 4) Vote to move money from the Memorial account into general account in case of a budget deficit.

Donations:

- 1) Donations/memorials for specific programming, events, books or other library items will be deposited in the memorial account and recorded under liability in one of three categories; bills related to the specific donations will be accounted against the specific liability.
 - Programming
 - children's
 - other
 - Books
 - Other resources
- 2) Unspecified donations/memorials are deposited in the general fund to support day-to-day operations posted in the budget category: local donations/grants/fundraisers.
- 3) Donations specific for building maintenance and improvement will be deposited in the capital improvement account and recorded under liabilities.

Grants:

- 1) Grant money will be deposited in the memorial account if not building related and recorded under liabilities.
- 2) Grant money will be deposited in the capital improvement account in case money is for building maintenance and recorded under liabilities.

Financial decisions:

- Purchasing:

The VCBC Public Library follows procedure 803.1 of the North Dakota University System procedure manual for purchasing procedures as these are procedures for purchasing by political subdivisions.

 1. For day-to-day operating related items under \$1000 the library director has permission to purchase without approval of the Board of Directors and are addressed in the library director's report.
 2. Purchases above \$1000 need to be approved by the Board of Directors. Multiple quotes are preferred as are the inclusion of local vendors.
 3. The library director will discuss emergency spending above \$1000 with President or Treasurer of the Board of Directors before moving ahead.

- Budget requests:
Budget request will be submitted to City commission of Valley City and County Commission of Barnes County by the President of the Board of Directors by the deadline. The amount requested will be determined by the President and Treasurer of the Board of Directors in consultation with the Library Director. The minimum amount for the budget request is based on minimum required to receive ND Library State Aid with additional request for special projects if needed.

- Grants requests:
 1. Grant requests \$5000 or less do not require board approval unless the grant requires matching funds totaling more than \$1000. Grant request will be addressed in the directors' report.
 2. Grant applications that require board approval before application:
 - a. Grant requests above \$5000
 - b. Grant applications that include hiring of paid personnel
 - c. Grant applications that include construction and renovation of spaces
 - d. Grants that require matching funds unless under the required matching funds total less than \$1000