

Cromaine District Library Policy	Policy #: 6015
<i>BUDGET</i>	<u>Tracking Record</u> Date Approved: 11/19/98 Revised: 1/15/09; 12/10/09; 6/17/10; 12/8/10; 1/15/15; 12/10/15;2/20/25 Reviewed: 12/13/11; 12/12/12; 12/11/13; 12/7/16; 12/12/17; 12/13/18; 1/9/2020; 12/10/2020;12/08/22;12/14/23

Introduction:

Accountability and stewardship of public funds, including the fiscal responsibility of a balanced budget, are the objectives of the Cromaine District Library Board of Trustees, Library management and staff. Accounting records are to be maintained in accordance with generally accepted accounting principles and the annual operating budget will be prepared in accordance with the Uniform Budgeting and Accounting Act (MCL 141.421 to 141.440a). The budget shall be balanced for each budgeted fund. Total anticipated revenues plus that portion of the fund balance that is designated as a budget funding source shall equal total estimated expenditures for each fund. In keeping with this stewardship, the library will strive to maintain monies designated for anticipated maintenance of the building throughout its life, and for unanticipated emergencies. All budgets shall be adopted at the legal level of budgetary control which is the functional category within a fund (i.e., expenditures may not exceed the total appropriation for any function within a fund without the Library Board’s approval). All budgets shall be adopted on a basis consistent with Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board.

Budget Process & Timeline:

The responsibility for the adoption of an annual budget for the operation and maintenance of the library rests with the Board of Trustees. The Finance Committee, a standing committee of the Board of Trustees, is responsible to review, consider, and recommend for Board action an annual budget and any amendments to it as proposed by management. It is the responsibility of the Library Director to develop and submit the annual budget. The Finance Committee will work with the Library Director to prepare a proposed budget to present to the Board at its May meeting for review. A public hearing will be held on the proposed Operating Fund Budget before the regularly scheduled board meeting in June. Prior to the meeting, notice of such public hearing will be published as required by law. The Board must approve the Operating Fund Budget at the regularly scheduled June meeting, before the beginning of the fiscal year (July 1), by adopting a budget resolution

1. The annual budget will include:
 - a. Estimated revenues by source for ensuing fiscal year;
 - b. Most recent and current fiscal year surpluses and deficits;
 - c. Amounts needed for deficiency purposes and to pay maturing principal and interest in ensuing year;
 - d. Proposed capital outlay expenditures;
 - e. Informational summary of projected revenues and expenditures of special assessment funds, public improvement or building and site funds, intragovernmental service funds or

enterprise funds, including capital projects costs and financing three years beyond the budget

- f. sufficient funds (a minimum of seven months' operating expenditures) as fund balance in the Operating Fund to support the operating budget until December taxes are paid and
- g. other financial needs of the local unit.

2. The Board will identify funding goals for Improvement Fund so that monies will be available, when needed, for capital projects and will designate amounts to be transferred into these accounts at the end of the fiscal year.

Budget Adjustment Process:

A system of budgetary controls shall be maintained to assure adherence to the budget. Timely monthly financial reports shall be prepared comparing actual revenues, expenditures and encumbrances with budgeted amounts. The budget is a dynamic rather than static spending plan which requires adjustment from time to time as circumstances change. Approval by the Library Board is required for increases in total functional area budgets. The Library Board shall authorize funding sources increases or decreases as well as associated changes in the expenditure budget at the legal level of authority by adopting a budget resolution.