

## **MOUNT PROSPECT PUBLIC LIBRARY FINANCIAL POLICY**

**Policy:** To ensure adequate funding for the operational, capital, and debt service needs of the Mount Prospect Public Library.

### **Overview**

Each year the library staff presents to the Board for its consideration and approval a budget for the upcoming fiscal year and a corresponding property tax levy recommendation. The property tax recommendation reflects the anticipated impact of those budgeted expenditures on the library's projected fund balances, projected revenues from alternate sources, and the long-range funding necessary for future capital improvements.

The Board votes at its regular board meeting in October to approve a resolution for the budget and the recommended property tax levy. A Board resolution reflecting (a) the amounts of the budget and levy and (b) the votes of the trustees is drawn up and adopted. This resolution is forwarded to the Village of Mount Prospect to be incorporated into the Village Budget. The Village conducts the Village Budget public hearings in December.

If needed or desired, an amended Budget for the upcoming year, reflecting the most recently available financial results and planning objectives, is developed by staff and presented to the Board for consideration and approval at its December meeting. The total of the amended Budget shall not exceed the total of the earlier Budget on which the library's property tax levy had been developed.

The library director reports to the Board monthly regarding library operations and its current and projected financial standing. The monthly financial reports include information about library fund balances, revenues and expenditures by budgetary line, including monthly and year-to-date expenditures and remaining budget. Library expenditures are ratified monthly by the Board.

### **Guidelines**

The Board shall annually assess the library's long-range capital funding needs and the adequacy of projected fund balances and cash reserves. This typically occurs in September in conjunction with its consideration of the property tax levy recommendation.

To maintain sufficient cash reserves and available funds to meet the needs of the library during the months when tax funds are not received, the Library shall strive to maintain a combined balance of the Working Cash Fund and the Library General Fund at a level equal to 50% - 75% of the annual operating budget.

The Board shall review the Financial Policy annually and adjust as necessary or beneficial.