

# SPOKANE COUNTY LIBRARY DISTRICT

## **POLICY: FINANCIAL MANAGEMENT**

APPROVAL DATE: NOVEMBER 21, 2000

REVISION DATE: March 17, 2020

PREVIOUS POLICY TITLE: Fund Balance Management

### RELATED POLICY

Procurement

STATUTORY REFERENCES: RCW 27.12.050, 27.12.210, 43.09.240, 84.52.010, 84.52.020, 84.52.070, 84.55.010, 84.55.120

### **Purpose:**

The Spokane County Library District Board of Trustees, pursuant to RCW 27.12.210, has exclusive control of its finances and may conduct acts necessary for the orderly and efficient management and control of the library.

### **General Policy:**

The District will comply with all statutory budget, property tax and financial reporting requirements and due dates established by both Washington State and Spokane County.

Spokane County Treasurer will serve as District's treasurer and fiscal agent per RCW 27.12.070. The District will participate in the Spokane County Investment Pool and adopts the Spokane County Investment Policy as its investment policy.

The District's financial reporting will be on a cash basis and will follow the prescribed Budget, Accounting, and Reporting System (BARS) for cash basis entities as prescribed by the Washington State Auditor's Office.

### **Required Board of Trustees Actions**

October of each calendar year

1.) The Board of Trustees conducts a public hearing on Library District revenue sources as required by State Law (RCW 84.55.120).

November of each calendar year

The Board of Trustees reviews and approves:

1.) A Resolution adopting a budget for the following year that shall be transmitted to the Clerk of the Board of County Commissioners as required by State Law in ample time for Spokane County to make the tax levies for the purpose of the District (RCW 27.12.050, 27.12.210(4), & 84.52.020).

2.) A Resolution authorizing property tax levy increases for the following year, in terms of both dollars and percentage, that shall be transmitted to the County Assessor as required by State Law (RCW 84.55.120(3)).



[www.scl.d.org](http://www.scl.d.org)

Administrative Offices  
509.893.8200  
fax 509.893.8472

Airway Heights Library  
509.893.8250

Argonne Library  
509.893.8260

Cheney Library  
509.893.8280

Deer Park Library  
509.893.8300

Fairfield Library  
509.893.8320

Medical Lake Library  
509.893.8330

Moran Prairie Library  
509.893.8340

North Spokane Library  
509.893.8350

Otis Orchards Library  
509.893.8390

Spokane Valley Library  
509.893.8400

3.) A Resolution certifying the estimated property tax levy for the following year, in dollars, that shall be transmitted to the Clerk of the Board of County Commissioners and the County Assessor, as required by State Law (RCW 84.52.070).

December of each calendar year

The Board of Trustees reviews and approves:

1.) If necessary, a resolution adopting an amended budget for the following year, based upon new information or revised estimates of sufficient importance to budget formulation.

The following resolutions are required only if applicable or necessary:

1.) A Resolution establishing a levy limit factor in excess of the limit factor defined by RCW 84.55.0101 for property taxes that shall be transmitted to the County Assessor only when the inflation factor as defined by RCW 84.55.0101 is less than 1% and the Board finds a substantial need to exceed the property tax limit factor.

2.) A Resolution certifying an excess levy for General Obligation Bonds redemption as required by State Law (RCW 84.52.056), that shall be transmitted to the Clerk of the Board of County Commissioners and Spokane County Assessor only if District General Obligation Bonds are outstanding.

3.) A Resolution approving the sale of Tax Anticipation Notes (TANS) for the upcoming budget year only if the projected fund balances are insufficient to provide the necessary cash flow for District operations.

## Financial Management Requirements

The District's General Operating Fund and Capital Projects Fund shall be managed as follows:

**General Operating Fund** – This fund is used to carry out the District's normal operations and maintenance activities. The following are important components of the General Operating Fund:

1.) Minimum Unassigned Fund Balance

The minimum unassigned general operating fund balance should be at least 15% of total annual expenditures excluding inter-fund transfers. The unassigned general operating fund balance in excess of the minimum may be used for current-year expenditures or may be transferred to the Capital Projects Fund to meet future capital needs. Any year-end general operating fund surplus will be considered unassigned.

2.) Expenditure Control

The maximum budgetary authorization amount is the "Total Expenses and Transfers Out" in the final adopted District budget. This amount is the District's overall expenditure control and cannot be exceeded without Board of Trustees' approval.

**Capital Projects Fund** – This fund is used to accumulate financial resources for potential future capital investments. Consequently, the unassigned Capital Projects Fund balance has no minimum.



[www.sclcd.org](http://www.sclcd.org)

Administrative Offices  
509.893.8200  
fax 509.893.8472

Airway Heights Library  
509.893.8250

Argonne Library  
509.893.8260

Cheney Library  
509.893.8280

Deer Park Library  
509.893.8300

Fairfield Library  
509.893.8320

Medical Lake Library  
509.893.8330

Moran Prairie Library  
509.893.8340

North Spokane Library  
509.893.8350

Otis Orchards Library  
509.893.8390

Spokane Valley Library  
509.893.8400

**Cash Deposit Frequency** – The District will make cash deposits at least once a week, maintaining appropriate safeguards, via an agreement with the Spokane County Treasurer.

**Budget Limitations and Restrictions – General Operating Fund**

The following are limitations and restrictions on the General Operating Fund:

1.) Employee Compensation

The budget for all compensation-related items (salaries and employee benefits) will be in accordance with the provisions of the District’s Personnel Policy.

2.) Library Materials

The annual minimum budget for library materials will be not less than 14% of the District’s operating revenues from the District’s property tax levy plus revenues from contracted cities.

3.) Library Programs

The annual minimum budget for library programs will be not less than 0.5% of the District’s operating revenues from the District’s property tax levy plus revenues from contracted cities.

4.) Food Purchases

The District may purchase food and beverages and serve them in connection with District-sponsored activities, events, and meetings. Purchases shall be inexpensive and the effort necessary to purchase, prepare, and present them shall be minimal in nature but commensurate to the consideration or return to the District as a result of such purchase. Purchase of alcoholic beverages with District funds is prohibited.

5.) District-Branded Promotional Items

The District may purchase District-branded items and distribute them to the public in order to promote District services. Purchases shall be inexpensive and the effort necessary to purchase, prepare, and present them shall be minimal in nature but commensurate to the consideration or return to the District as a result of such purchase.

6.) District-Branded Items for Staff and Volunteers

The District may purchase clothing and/or other District-branded items and provide them to employees as a provision of employment and/or to volunteers as a provision of volunteer service. Purchases shall be inexpensive and the effort necessary to purchase, prepare, and present them shall be minimal in nature but commensurate to the consideration or return to the District as a result of such purchase.

The Executive Director will establish administrative procedures necessary to implement this policy. In accordance with the administrative procedures, any appeal of an administrative action under this policy will first be made in writing to the Executive Director. Any subsequent appeal of Executive Director action and/or decision will be made in writing to the Board of Trustees.

The District will make a good faith effort to implement this policy in a fair and consistent manner.



www.scl.d.org  
Administrative Offices  
509.893.8200  
fax 509.893.8472

Airway Heights Library  
509.893.8250

Cheney Library  
509.893.8280

Fairfield Library  
509.893.8320

Moran Prairie Library  
509.893.8340

Otis Orchards Library  
509.893.8390

Argonne Library  
509.893.8260

Deer Park Library  
509.893.8300

Medical Lake Library  
509.893.8330

North Spokane Library  
509.893.8350

Spokane Valley Library  
509.893.8400