SPOKANE COUNTY LIBRARY DISTRICT

POLICY: FINANCIAL MANAGEMENT
APPROVAL DATE: NOVEMBER 21, 2000
REVISION DATE: APRIL 17, 2018

PREVIOUS POLICY TITLE: Fund Balance Management
RELATED POLICY
Purchasing

STATUTORY REFERENCES: RCW 27.12.050, 27.12.210, 43.09.240, 84.52.010, 84.52.020, 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
The Board of Trustees conducts a public hearing on Library District revenue sources as required by State Law (RCW 84.55.120).

November
The Board of Trustees reviews and adopts:

1) A Resolution adopting a preliminary budget shall be transmitted to the Clerk of the Board of County Commissioners as required by State Law (RCW 27.12.050 & 27.12.210 (4)).

2) A Resolution authorizing property tax levy increases, in terms of both dollars and percentage, shall be transmitted to the County Assessor as required by State Law (RCW 84.55.120(3)).
3) A Resolution certifying the estimated property tax levy, in dollars, shall be transmitted to the Clerk of the Board of County Commissioners and the County Assessor, as required by State Law (RCW 84.52.020).

4) A Resolution establishing a levy limit factor in excess of the limit factor defined by RCW 84.55.0101 for property taxes shall be transmitted to the County Assessor.¹

December
The Board of Trustees reviews and approves:
1) A Resolution adopting the final budget as required by State Law (RCW 27.12.050) shall be transmitted to the Board of County Commissioners.

Other resolutions needed only if applicable or necessary:

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

2) A Resolution approving the sale of Tax Anticipation Notes (TANS) for the upcoming budget year.³

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.

Minimum Unassigned Fund Balance
The minimum unassigned fund balance should be at least 15% of total annual expenditures excluding inter-fund transfers. The unassigned 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.

Expenditure Control
The critical 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.

Inter-Fund Loans – The Finance Director is authorized to make short-term (i.e., not to exceed 90 days) inter-fund loans between the General Operating Fund and the Capital Projects Fund. All inter-fund loan activity shall be reported to the Board of Trustees on a monthly basis.
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

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.

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.

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.

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. Purchase of alcoholic beverages with District funds is prohibited.

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 and distribute them shall be minimal in nature.

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 and distribute them shall be minimal in nature.

The Executive Director is responsible for establishing administrative procedures necessary to carry out this policy and will respond to appeals of District staff action and/or decision in the application of this policy and any related procedures. Any appeal of Executive Director’s action and/or decision may 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.

1 Necessary only when the inflation factor as defined by RCW 84.55.0101 is less than 1% and the Board wants to exceed the property tax limit factor.
2 Necessary only if District General Obligation Bonds are outstanding.
3 Necessary only if the projected fund balances are insufficient to provide sufficient cash flow for District operations.