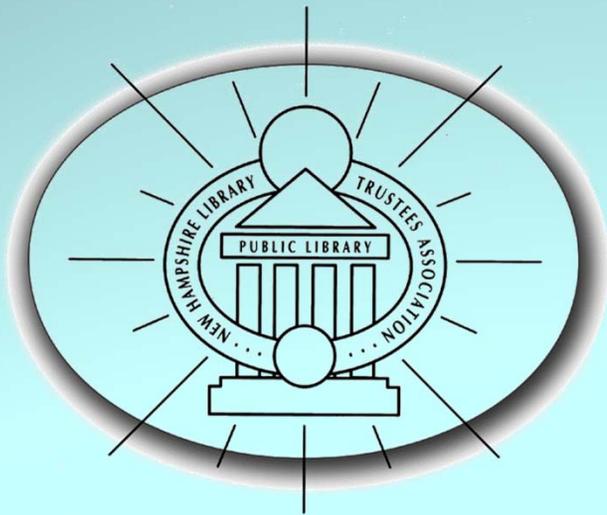


Trustee Orientation Part 2: Budgeting and Personnel Responsibilities



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Fiduciary Responsibilities of Board Members in General

The standards of conduct and attention required of individual board members:

- The *Duty of Care* – prudent decisions
- The *Duty of Loyalty* – undivided allegiance
- The *Duty of Obedience* – faithful to the mission of the organization

What Are the Responsibilities of a Library Trustee?

- Trustee Responsibilities are defined by laws of N.H. RSA 202-A is the one that addresses libraries.
- Essentially, Trustees have three principal responsibilities
 - To write the policies that govern the library
 - *To ensure that the library is sufficiently funded*
 - *To appoint/hire and oversee a library director*

Trustees Adopt & Manage Budgets

202-A:11 Powers and Duties

Section II: Prepare an annual budget showing what support is needed from public funds

- To be submitted to Selectmen, Town Council, City Council, etc.
- A separate budget request required for new construction, capital improvements

Trustees Spend Money

RSA 202-A:11 Powers and Duties: Trustees shall...

III. Expend all moneys raised and appropriated by the town for library purposes...

IV. Expend income from all trust funds for library purposes...in accordance with the conditions of each donation or bequest accepted by the town.

Sources of Library Money

- PUBLIC MONEY - from the taxpayers
- PRIVATE MONEY - from private donations, fine money, money from income-generating equipment*, gifts*, grants*, trusts [*requires town meeting vote once] – require board action to accept these funds. Ref: RSA 202-A:4-c, -d

Gifts of Money and Property

- 202-A:4-c Trustees' Authority to Accept and Expend Gifts... any town at an annual meeting may adopt an article authorizing... the public library trustees to apply for, accept and expend...*unanticipated money*... which becomes available *during the fiscal year*.
- 202-A:4-d Acceptance of Personal Property Donated requires a similar article at town meeting to authorize trustees to accept such donations.
- Adopt a *policy* allowing trustees to decline any donations.

Preparing a Budget

Process and timetable will vary depending on whether you have a traditional town meeting, are an “SB2 town,” or a city. All have these elements:

- Preliminary budget
 - Director prepares
 - BOT reviews and approves
- Meet with Selectmen/Budget Committee/City or Town Council
- Final Proposed Budget
- Final Budget – approved at Town Meeting or City Council

Gross Budgeting Required

- Gross Budgeting Is Required by RSA 32:5 III
- Definition: “All appropriations recommended shall be stipulated on a "gross" basis, showing anticipated revenues from all sources, including grants, gifts, bequests, and bond issues, which shall be shown as offsetting revenues to appropriations affected.”
- Revenues to be shown: anticipated income from fines, fees, donations, etc.

The Basics of Gross Budgeting

- Budget must show anticipated revenue from all sources, not just taxes (RSA 32:5, III)
- Revenues not shown cannot be spent
- Include total amount in “raise and appropriate” clause
- Include offsetting revenues on operating budget form

XYZ Public Library Budget

Acct #	Description	Town Funding	Anticip. Fees, Fines	Anticip. Grants, Donations, Credits	Total Budget
12345	Salaries	\$200,000			\$200,000
12346	Benefits	\$60,000			\$60,000
12350	Building Maint.	\$2,000	\$400		\$2,400
12360	Periodicals	\$500		\$1,500	\$2,000
12370	Books and Multimedia	\$18,000	\$10,000		\$28,000
12380	Digital Materials	\$2,250			\$4,050

Advocating for Your Budget

- Present the budget in the context of the library's mission, goals, objectives.
- Share statistics on circulation, programs, collection—opportunity to educate the public!
- Know what share of the town budget the library represents.
- Know what the library costs taxpayers annually.
 - Pennies on the tax rate
 - Dollars per capita or per average household

The Library is one of the best deals in Town!

Managing to a Budget

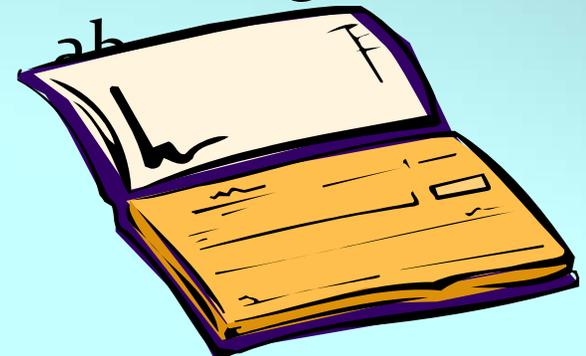
- Choose a strong Treasurer
- Monthly Treasurer's Report to the Trustees
- Cannot overspend the bottom line
- Several ways to manage the money:
 - Allow the town to serve as your bookkeeper for the public funds.
 - Use town for payroll services, but manage the rest of the money yourself.
 - Handle ALL the money, with the town transferring appropriation to the trustees quarterly. Recommend using a payroll service in this case.

Segregation of Funds

- RSA 202-A:11, III: Money from fines and lost/damaged materials “shall be used for general repairs and upgrading, and for the purchase of books, supplies and income-generating equipment...”
- Need to *account* for fines, fees, etc., separately from public funds so that they do not lapse to the General Fund at year end as public funds do.
- Do not have to hold each category of private funds in separate checking accounts, so long as accounting is clear.

If You Manage the Checkbook Yourself

- Should have a memo of understanding between the Town and Library for timing of distribution of funds by the Town Treasurer. (RSA 202-A:11, III)
- Trustees should sign monthly check register.
- Bank account may require two Trustee signatures on all checks or just amount.



Financial Policies

- Adopt policies to guide the management of funds
- Sample topics for policies:
 - Investment
 - Purchasing – use of credit card, when to go out to bid, etc.
 - Authority to over-spend (transfer from line to line) without prior trustee approval

What Are Trustee Responsibilities as Employers?

- Hiring, dismissing Librarian and staff
- Supervising and evaluating the Librarian, *but not the staff or volunteers*
- Setting annual goals
- Setting compensation
- Adopting Personnel Policies for Library

Trustee Appointing Authority

- 202-A:11 (Powers & Duties of Library Trustees)
Appoint a Librarian who shall not be a trustee and, in consultation with the Librarian, all other employees of the library and determine their compensation and other terms of employment ...
- Library employees are **NOT** town employees, they are employees of the Library Board of Trustees (NH Supreme Court, Taylor decision)

Hiring a Librarian

RSA 202-A:15 Public Librarian; Qualification and Tenure

“The librarian shall be appointed by the board of library trustees for a term of office agreed to at the time of employment and until a successor is appointed and qualified.”

- Protects the librarian from arbitrary termination.
- Protects the library from an extended term of unsatisfactory performance.
- Renewal is a mutual decision of the Board and the Librarian.

Removal of Staff

RSA 202-A:17 Employees; Removal

“No employee of a public library shall be discharged or removed from office except by the board of trustees for malfeasance, misfeasance, or inefficiency in office, or incapacity or unfitness to perform the employee’s duties.”

- Notice and the opportunity for a public hearing must be provided. (Public hearing is the choice of the employee.)
- The library staff are NOT “at will” employees.

Letter of Appointment

The letter of appointment/hire should contain:

- Term of appointment (date of hire and length of initial commitment), agreed to by the director/librarian
- Compensation/salary
- Basic benefits (health insurance, paid leave) as described in personnel policies
- Hours of work (# of hours/week)
- Job description (attachment to letter)

Have an attorney check the letter before finalizing it.

Trustees, Librarian and Staff

- The Trustees are the governing body of the Library. They are responsible for policies, for budgeting and for hiring a competent staff.
- The Librarian is responsible for day-to-day operations, supervising staff and volunteers, and maintaining a collection of media consistent with the educational and entertainment needs of the community.
- The staff are responsible to the Librarian.

Performance Appraisal

- The cornerstone of a healthy employment relationship!
- Trustees evaluate the Library Director; Director evaluates staff and volunteers.
- May have staff complete self-evaluation as part of the process
- Annual evaluation
 - Specific job responsibilities (as detailed in job description)
 - Personal attributes (flexibility, creativity, etc.)
 - Review achievement of goals set at prior evaluation
 - Set goals for the coming year

Disciplinary Action

- Adhere to Personnel Policies
 - Progressive Discipline
 - Grievance Procedures
- Only trustees can terminate employment of any library staff member

All personnel discussions (other than adopting/amending policies) should take place in non-public session.