

Finance

Finance is a vital factor in the successful operation of any public library. Adequate library funding is the responsibility of the community in which it exists. Public libraries are primarily funded by the local tax base. Other sources of revenue include penal fines, state aid, user fees, interest on investments, overdue fines, endowments and general donations. All of these funds are vital to keep the library operating.

The library board and the employees are responsible for the efficient and effective use of tax monies to provide the best possible service to the community. Library officials must work assertively to ensure that sufficient funds are available to allow a library to meet its goals in serving the public. They must continuously make the community aware of the importance of funding the libraries.

The Bay County Library System is a Component Unit to the County of Bay. The County of Bay collects all of the Property Taxes on behalf of the library system and disburses the collected taxes to the library system within two weeks. By state law, the main bank account for the library system is in the county's name. The County Treasurer is the custodian over the library's bank account. The County Treasurer works with the guidance from the Assistant Director of the library system on cash movements.

MCL 397.301 P.A. 138 of 1917

Budgeting:

The library board adopts an annual budget for the library employees to operate the library. The Finance Committee will begin meeting in June to prepare the upcoming year's budget. This budget must be submitted to the County Board of Commissioners by the middle of July. The County of Bay holds a public hearing on the budget on the 2nd Tuesday in October. The library board approves a final budget in December for upcoming year.

Purchases/Expenditures:

All Purchases/expenditures are in accordance with the Purchasing Policy and/or Travel Policy that is approved by the library board.

Equipment/Fixed Assets:

The library system puts an inventory tag on every item costing more than \$250. Each item over \$250 is kept track of in a data base. Every other year a complete inventory is done. An item costing \$5,000 or more is considered a fixed asset. All fixed assets are kept track of in a data base.

Investments:

The library system is governed under the County of Bay's Investment Policy. The library system's Assistant Director instructs the County Treasurer on investments and cash flow requirements.

Audits:

The library system receives a complete audit at the end of each fiscal year by an independent auditing firm

Insurance Coverage:

The library system maintains adequate insurance to protect the library board, employees and the system as a whole.

Donations:

The library system accepts all types of donations. Donations can come in the form of Cash, Books or Equipment. See Donation Policy.