

LMC Budget – Finance Guidelines

March 2013

Budget Overview

The budget represents one of the most important documents used by a school district in achieving its overall educational objectives. In the development of the Library Media Center (LMC) budget, the library media specialist uses the following documents as resources:

- District budget manual
- Previous LMC budgets
- LMC core data state reports
- LMC collection analysis
- LMC and district curriculum
- Missouri School Improvement Program Standards and Guidelines

In addition, the library media specialist seeks input from administrators, faculty, students, and parents regarding new resources for the LMC.

The LMC budget should reflect the objectives and needs of its particular students and community, and all areas should be justified.

Developing the LMC Budget

- A. Determine needs based on:
 1. Knowledge of the school improvement plan
 2. Knowledge of the LMC collection development plan
 3. New programs and initiatives
 4. Consideration file
 5. Communication with school administrators, faculty, students, and parents
 6. Knowledge of classroom curriculum
 7. Knowledge of LMC curriculum
- B. Develop a Consideration File which includes:
 1. Requests from teachers and administrators (specific titles or subject areas)
 2. Requests from students (check also in review journals)
 3. Requests from parents (check also in review journals)
 4. Recommendations from professional journals
 5. Recommendations in selection tools

*It is most important to have an active and current Consideration File at all times in case there is a monetary windfall from your administrator.

- C. Specific items to be provided for in the budget:
1. Library books
 2. Prepared AV media of various types
 3. Subscriptions to magazines and newspapers
 4. Encyclopedias, dictionaries, and other reference materials
 5. Instructional kits/models/study prints
 6. General library media center supplies

NOTE: AV equipment, AV supplies for classroom use (batteries, transparent film, book pockets, etc.) computers and computer hardware, repair of AV and computer equipment, library furniture, classroom software, and professional journals supporting special teachers (art, music, gym, counselor, speech, etc.) should be funded by the building budget.

- D. Preparing the budget
1. Each LMC has two fund accounts, the yearly LMC budget (Program 12), which closes each fiscal year, and the Library Activity Fund account (previously known as Program 70), which remains open from one fiscal year to the next.
 2. The yearly LMC budget contains district-provided funds from local tax revenue and is to be used for the purchase of materials and supplies for the library media center.
 3. The Library Activity Fund contains revenues from book fairs, library fines, lost/damaged book fines, birthday book purchases, etc. and **is to be used for items and activities that directly benefit and impact students**. These funds are **NOT to be used for professional development opportunities for the library media specialist**. Always ensure you have the necessary available balance in this fund before you enter a requisition. **Also, please be aware that you will get a warning message in the Purchase Requests screen stating that you are over budget when you try to hit enter to submit a record. Please hit enter a second time to clear this warning.**
 4. Both budget lines are under the control of the principal. Both accounts are accessed through Business Plus (previously known as IFAS) by the library media specialist.
 5. Explanations of budget codes used in Business Plus:
Yearly Library Budget/Program 12 example
 G2222__12 6441
 G = Fund
 2222 = Function Code
 _ _ _ = Unit Code (enter your building code here, for example 109 for WTHS)
 0012 = Program Number (Library is Program 12)
 6441 = Object Code

Library Activity Fund Example

A__1531 6411

A = Fund

__ = Unit Code (enter your building code here, for example 109 for WTHS)

1531 = School level code (1902 Elementary, 1716 Middle School, 1531 High School)

6411 = Object Code

Library Activity Fund Object Codes include the following

6319 – Contracted Services (Author visits)

6349 – Student Travel/Competitions (Bus cost to transport students)

6411 – Materials & Supplies (Materials & supplies, reimburse lost book fees)

6. Library media specialists will balance both budget fund account spreadsheets with Business Plus on a monthly basis.
 7. Each library media center has a library media budget spreadsheet to record all financial transactions. It is important that this document be kept current.
- E. Monies Received
1. Monies received from payment for lost materials and fines will be deposited in the Library Activity Fund by the building Administrative Assistant to be used to buy replacements for missing items. Refunds for returned “lost” materials will be issued from this account.
 2. The library media specialist has the responsibility for **all** deposits of any monies received. Deposits should be made at least monthly. These monies along with a tote sheet (see last page of document for example) showing the amount will be given to the building Administrative Assistant for deposit. A change fund of up to \$50.00 may be kept in a locked, secured place in the library media center.
 3. If needed, start-up money for a change fund (\$50.00) is available from the district financial office by emailing Cindy Torrey or Trudy Vertin in the Accounting Department. The library media specialist is responsible for all financial records for money activity in the library media center.

Budget Spreadsheet Procedures

The Library Media Program budget spreadsheet is linked to the collection development spreadsheet. As you spend your budget, the totals from each category (fiction, nonfiction, etc.) automatically update the “actual cost” cells on the collection development sheet.

It is very important that you update the spreadsheet *every time* a purchase requisition is created, and that you balance it *monthly* with the account record in Business Plus.

Using the Budget Spreadsheet

Use the Tab function, or your mouse, to move between cells.

***Some cells are locked for formatting; PLEASE do not change the spreadsheet, even if you know how. It is standardized for Core Data reporting and MSIP.*

1. Each time you create a purchase requisition in Business Plus, record it on the budget spreadsheet. Be sure to put your total purchase amount in the expenditure column AND allocate the correct amounts to each resource category (fiction, nonfiction, etc.).
2. Print a copy of the spreadsheet and a copy of each purchase requisition. Keep them in a binder or folder in a central location.
3. When the PO copy comes from Warehouse, staple it to the PR and file them in the binder. As each invoice is paid, attach a copy to the PO and file them in the binder.
4. When the final invoice on a PO is paid, record the updated total for that PO on the electronic budget spreadsheet and print a new copy for the binder.

Balancing with Business Plus – Yearly Library Budget and Library Activity Fund

Yearly Library Budget

Once a month (payday is easy to remember), balance the yearly library budget spreadsheet with the Business Plus ‘Budget to Actual Short Form’ Report.

1. Open Business Plus: on the Internet, go to File Open... and type in bplus.nkcschools.org
2. Log in to Business Plus with your regular username and password
3. Click on Media tab, then the Accounting subtab, and finally the “GL2002: Budget to Actual Short Form” link under General Ledger Reports.
4. In the Cost Center field, delete the asterisk and fill in your code (building code, ie Clardy is 412). **You may skip this step if you are only in one building**
5. Click Submit.

- a. When the report opens, you will see a column titled “Account Balance.” This number should match the amount you show as still available on your library budget spreadsheet.
 - b. If you wish, you may click on the “Encumbered” total to ‘drill down’ to the report details. You will be able to review all PO’s that are still open. Click on the PR number to ‘drill down’ to the individual PR. You may also run the report “EN2000 GL Open Encumbrances by Acct” to see a list of PO’s that are still open.
 - c. If you wish, you may click on the “Actual” total to review all invoices paid and to review closed PO’s. Click on the PO number to ‘drill down’ to the individual PO.
6. Update the budget spreadsheet to reflect Business Plus totals. If there are items that appear incorrect, review your payment records, then contact Accounts Payable.
 7. Make a note on the spreadsheet indicating the date you balanced with Business Plus.

Library Activity Fund

Once a month (payday is easy to remember), balance the Library Activity Fund budget spreadsheet with the Business Plus ‘Activity Accts Detail’ Report.

1. Open Business Plus: on the Internet, go to File Open... and type in bplus.nkcschools.org
2. Log in to Business Plus with your regular username and password
3. Click on Media tab, then the Accounting subtab, and finally the “GL2026: Activity Accts Detail” link under Student Activities.
4. In the Cost Center field, delete the asterisk and fill in your code (building code, ie Clardy is 412). **You may skip this step if you are only in one building**
5. Click Submit.
6. Use this report to reconcile with your Library Activity Fund budget spreadsheet. Update the budget spreadsheet to reflect Business Plus totals. If there are items that appear incorrect, review your payment records. For questions about payments, contact Accounts Payable. If you have questions about deposits, review with your school Administrative Assistant.
7. Make a note on the spreadsheet indicating the date you balanced with Business Plus.

Periodically, run the “EN2000 GL Open Encumbrances by Acct” report listed under General Ledger Reports to see what Library Activity PO’s are still open. **All open encumbrances (unpaid invoices) must be taken care of before you leave for summer break.**

Procedure for Refunds and Payments

Refunds

Refunds for lost materials will be made for the amount paid, as long as the item is in the catalog and continues to meet selection criteria.

Steps in the process:

1. Student finds and returns book. He/she is told that the district will send a refund check directly to the parent.
2. Parent name/address is verified in school records and emailed to Accounts Payable (acctspayable@nkcschools.org) requesting a temporary vendor number.
3. Accounts Payable returns a vendor number by email.
4. Requisition is entered, requesting refund from library activity account.
5. Copy of receipt, with notation of "OK to refund," and the signature of the media specialist is sent to Purchasing as backup documentation. Indicate requisition number on receipt copy.
6. Purchase order copy is received from purchasing and filed in budget records.

Monies Received

1. Monies received from payment for lost materials and fines will be deposited in the Library Activity Fund by the building Administrative Assistant to be used to buy replacements for missing items. Refunds for returned "lost" materials will be issued from this account.
2. The library media specialist has the responsibility for **all** deposits of any monies received. Deposits should be made at least monthly. These monies along with a tote sheet (see last page of document for example) showing the amount will be given to the building Administrative Assistant for deposit. A change fund of up to \$50.00 may be kept in a locked, secured place in the library media center.
3. If needed, start-up money for a change fund (\$50.00) is available from the district financial office by emailing Cindy Torrey or Trudy Vertin in the Accounting Department. The library media specialist is responsible for all financial records for money activity in the library media center.

Lost Book Payments

Steps in the process:

1. Student pays for lost book.
2. Two copies of the receipt are printed from Destiny. One copy is given to student; the other copy is filed in the LMC to be used for reference or refunds.
3. Payment is recorded in budget spreadsheet.
4. Money with an accompanying tote sheet (see last page of document for example) is sent to office for deposit into library activity account. Record of deposits is kept with budget.

Additional Accounting Procedures for Library Media Centers

This document is not intended to take the place of the district's accounting procedures handbook. Rather, it is meant to clarify some procedures that are specific to the library media center. Please refer to the district accounting procedures handbook, section 2, for a complete view of district accounting procedures.

Book Fair

Starting cash – If needed, the district can provide starting cash for your book fair. If you need the district to provide these funds, please email Cindy Torrey or Trudy Vertin in the Accounting Department. This process takes some time, so contact them **at least** two weeks in advance. These funds are a short-term loan from the Accounting Department and must be deposited back in the Accounting Department budget line shortly after the event. Return the funds to your school Administrative Assistant for deposit. This amount must match to the starting cash. The Accounting Department will send instructions when start up cash is requested.

Receipt for payment – You do not need to write a separate receipt to each customer for money collected as payment during book fair. The receipt that prints from Scholastic's EasyScan machine will suffice. Please be sure to keep a copy of all Scholastic financial reports that you fill out when your book fair is complete.

Birthday Books

Receipt for payment – You should give an original pre-numbered receipt to each person from whom you collect money for birthday books. Duplicate pre-numbered receipt books are available through Stores Inventory (Stock #050000).

When accepting a check as payment for birthday books, please write the name of the student in the memo line of the check.

Lost or Damaged Book Payments

Receipt for payment - You do not need to write a separate receipt to each customer for money collected as payment for lost or damaged books. A printed copy of the receipt from Destiny will suffice.

When accepting a check as payment for a lost or damaged book, please write the name of the student with the lost or damaged book in the memo line of the check.

Overdue Fines

Receipt for payment – You do not need to write a separate receipt for each patron who pays an overdue fine. Rather, the media specialist should print from Destiny the Fine History report for library materials only (Reports—Patron Reports—Fine

History) on a monthly basis and store this in the Activity Account budget notebook for reference if needed.

Deposits

Regardless of the source of funds to be deposited (book fair, birthday book club, lost or damaged books, overdue fines) the following procedures should be followed. For each deposit you make, you should fill out the electronic tote sheet (see last page of document for example) and hand a printed copy of it along with the cash and checks to your administrative assistant to be re-counted and deposited into the library activity account. Write your activity account number and the name of the student for which payment is being made on each check. The exception to this would be when the check is being written for something other than payment of student library obligations, i.e. book fair payment. You also need to make two photocopies of all checks. Attach one copy to the tote sheet, and place the other copy in your budget notebook for your records. You will receive a receipt from the administrative assistant verifying the amount of the deposit.

DEPOSIT TOTE SHEET

Receipt # from office

Date

Sponsor

Activity Acct #

Activity/Fundraiser

- 1. The activity account number and the name of student should be noted on each check.
This will allow any NSF checks or questions to be directed to that student activity account.
- 2. Copies of all checks must be attached to deposit tote sheet.
- 3. A complete 2nd set of deposit tote sheet, checks and receipt should be kept by the sponsor.
- 4. It's preferable that the office re-counts money at the time a receipt is issued. If not possible and a discrepancy is discovered a corrected Deposit Tote Sheet will be reviewed with the sponsor.

<u>Bills</u>	<u>Number</u>	=	<u>Amount</u>	Coins	<u>Number</u>	=	<u>Amount</u>
\$100	_____	=	\$ _____	1.00	_____	=	\$ _____
\$50	_____	=	\$ _____	.50	_____	=	\$ _____
\$20	_____	=	\$ _____	.25	_____	=	\$ _____
\$10	_____	=	\$ _____	.10	_____	=	\$ _____
\$5	_____	=	\$ _____	.05	_____	=	\$ _____
\$1	_____	=	\$ _____	.01	_____	=	\$ _____
Total Currency			\$ _____	Total Coins			\$ _____

Total Cash \$ _____

<u>Check Amount</u>	<u>Check Amount</u>	<u>Check Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____
_____	_____	_____

Total Checks \$ _____

TOTAL DEPOSIT AMOUNT \$ _____

Sponsors Signature

Date

1st Deposit Counter

Date

2nd Deposit Counter

Date