

Illinois Public Library Standards – Finance & Budget: Action Plan

Library Name

Date

Completed by

Job Title

The action plans in each section are to be used as a tool for library directors, staff and board members to discuss and determine how their library is addressing the Illinois Public Library Standards. It is important that library directors, boards and staff recognize that public libraries are always evolving due to new trends, changing societal norms and cultural influences. In order for a library to stay sustainable and viable, the library directors should regularly review the core standards with both board and staff.

STANDARD	CORE	INTERMEDIATE	ADVANCED	ACTION/PROGRESS
1	The library has a written budget that is developed by administration and approved by the board.	The library has the budget in an electronic spreadsheet format.	The library includes legacy data in the spreadsheet to project future revenues and expenditures.	
2	The library keeps a current accounting of its revenues and expenditures, and the board reviews and approves all monthly expenditures (e.g., invoices, electronic payments and transfers, insurances, payroll, pension/retirement, and tax obligations).	The board reviews actual revenues and expenses against the monthly budget, and discusses variances with the director.		

3	The board's bylaws emphasize the importance of financial oversight and the creation of board-approved financial policies.	The library board regularly reviews and updates financial policies to reflect best practices.	The library board utilizes financial professionals to review and make recommendations to strengthen financial policies and procedures.	
4	The library has a process for adding/removing signers from all financial accounts (e.g., bank accounts, credit cards, and online accounts).			
5	The director and board have an understanding of the fundamental principles of library funding, financial reports, and budgeting. The library uses professionally accepted bookkeeping practices.	The director and board pursue continuing education to enhance their understanding of library funding, financial reports, and budgeting.		

6	The library follows all legal requirements for financial reporting. If applicable, the library follows all GASB (General Accounting Standards Board) accounting principles as required by the auditor.	The library actively maintains a transparency webpage where it posts its reporting requirements, ordinances, and audit status.		
7	The library strives to ensure adequate funding for library operations, staffing, programming, services, and facility needs using local funding.	The library seeks grants through Friends groups, foundations, library systems, and state programs to supplement the annual budget as needed. The library has an established donations and gifts program.	The library seeks non-traditional sources for fundraising (e.g., corporate sponsors/donations, endowments, investments) to supplement the annual budget.	

8	The library conducts an annual audit if the budget is \$850,000 or more. Depending on the type of library, the funding agent may do this as part of their annual audit.	The library board reviews and approves the annual audit, making the audit findings available to the public.	The board utilizes audit findings to enhance financial policies, improve efficiency, and mitigate risks.	
9	The library or its funding agent (city, village) provides a treasurer's bond in the amount of 10% of the annual budget or the approved alternative of appropriate insurance as described in the statute (75 ILCS 5/4-9).	The library provides additional liability insurance coverage for its director, board, and others handling library money and/or financial transactions.		
10	The library utilizes internal controls to prevent fraud.	The board and director regularly review the library's internal controls.	If the library utilizes an auditor, they review the library's internal controls.	

11	The library securely stores financial documents (e.g., checks, payroll, credit cards).	The library utilizes fraud protection measures (e.g., Positive Pay, payment by Automated Clearing House [ACH]).		
12	The library has a long-term financial plan.	The long-term financial plan includes an allowance for the building's capital needs, future projects, and projected expenses	The long-term financial plan includes strategies for additional revenue streams (e.g., bequests, endowments, bond retirements, Tax Increment Financing [TIF]).	

Notes/Comments: