

Fiscal Guidelines for School Library Systems

Revised November 2016

The Fiscal Guidelines for School Library Systems provide general guidance for the financial management of State Aid by local agencies. In addition to these guidelines, School Library System (SLS) programs must be conducted in accordance with applicable State laws, regulations, and directives; including but not limited to:

- Commissioner's Regulation § 90.18
- State Education Law §282-284; § 273(12)
- Local Finance Law
- State Education Department Policy

Please contact Karen Balsen at the New York State Library's Division of Library Development (DLD) with questions about and/or improvement suggestions for these *Fiscal Guidelines for School Library Systems*.

SLS Program Fiscal Year and State Formula Funds

The program fiscal year for the SLS program is July 1 to June 30. All SLS program budgets and reports should be based on this time period and should include all sources of funding. SLS currently receive two categories of State formula funding which are described in Education Law – Operating Aid (basic operating aid and supplemental operating aid) and Categorical Aid (automation aid). Education Law 284 contains the formulas for SLS basic operating aid and automation aid. Education Law 273 (12) contains the formulas for SLS supplemental operating aid.

State Aid, SLS Plans of Service and Annual Reports

In order to be eligible for the payment of State funds, an SLS is required at minimum, to have the following THREE approvable items:

- Five-Year Library System Plan of Service;
- Prior funding year SLS Annual Report; and
- Annual State Aid application.

Accessible online via the State Library's website, the SLS plans of service, reports and applications are completed online by the SLS Director and then electronically submitted to the State Library for review and approval. Final approvals are communicated from the State Library to the SLS Director by email.

Information about SLS Plans of Service, including plan submission and amendment due dates are posted on the State Library website at:

<http://www.nysl.nysed.gov/libdev/pos/index.html>

SLS Annual Reports are submitted to the State Library no later than three months after the end of the SLS program fiscal year. The due date is October 1.

SLS State Aid Application online availability and due dates are dependent on timely passage of the State Budget and the availability of individual SLS payment allocations. The State Library will notify SLS Directors when State Aid Applications are posted online for SLS completion and submission. State Aid Applications will specify the project codes and payment amounts for each category of SLS State formula aid (basic operating aid, supplemental operating aid and automation aid). This information enables the SLS Director to track payment status on the SED website at: <http://www.oms.nysed.gov/cafe/reports/>

NOTE: Copies of documentation such as claim forms, travel vouchers and invoices should *not* be mailed to the State Library or submitted with the SLS Annual Report unless specifically requested. Such documentation should be retained in the local educational agency's program files and made available for examination upon request. These documents may be required if a field audit is conducted.

SLS Annual Budget Requirements

SLS are expected to prepare an annual program budget which outlines planned expenditures for State formula aid funds and all other sources of funding for the SLS program fiscal year. The SLS budget should be reviewed and approved by the Administrator of the local educational agency. Copies of the SLS annual program budget should be retained in the SLS program office and should be made available for examination upon request.

Because SLS State Aid allocations are 100% State Aided Formula Programs, the SLS are not required to submit an *FS-10A Proposed Amendment for a Federal or State Project* and *FS-10F Final Expenditure for a Federal or State Project* to the State Education Department. Any amendments to the SLS annual budget should be handled locally within the educational agency and related paperwork should be kept on file for inspection. Final expenditures by budget category will be reported on the system annual report for the following year

Fund Balances (formerly Rollover)

In some instances, an SLS program is unable to expend the entire budgeted annual State formula aid allocation within the SLS program fiscal year. In such cases, unexpended State formula aid fund balances may be "rolled over" from one SLS fiscal year to the next SLS fiscal year. The local education agency Business office should account separately for these State formula aid "rollover funds." Unexpended State fund balances may be rolled over into any budget category within the respective Operating Aid and Categorical Aid allotments. These balances must be totally expended during the program fiscal year immediately following the program fiscal year of the initial state appropriation (for example: unexpended FY 2013/14 funds that are "rolled over" to FY 2014/2015 must be expended by June 30,

2015). Balance amounts carried over from one year to the next are reported on the SLS Annual Report and will be reviewed as part of the SLS Annual Report review and approval process.

Annual SLS State Formula Aid Application and Assurances

SLS submit an annual application for State formula aid to the State Library. In applying for SLS State formula aid, each SLS Director and the local educational agency Administrator are required to assure to the State Library and the State Education Department that the SLS and its local educational agency are in compliance with specific requirements that are stated in Commissioners Regulations and Education Law. These assurances include, but are not necessarily limited to, the following:

- The Library System attests that it is and will be operating under its approved Plan of Service in accordance with the provisions of Education Law and Regulations of the Commissioner;
- The System has on file at system headquarters and available for public inspection an annual budget that has been approved by the School Library System Advisory Council and reviewed by the chief administrative/fiscal officer;
- The educational agency supporting the School Library System attests that it meets the minimum staffing requirements as described in Commissioner's Regulations.

Overview of SLS State Aid Budgeting, Expenditure and Reporting Categories

The following general guidelines concerning SLS expenditures are intended to assist SLS Directors and local educational agencies in ensuring that State funds are properly budgeted, expended, tracked and reported.

Personnel Expenditures

State funds may be used to pay for salaries and benefits for the SLS Director and other SLS staff. SLS directors and their required support staff must be employed and paid on a full-time annual basis in order to provide all services related to the SLS program per Commissioner's Regulation §90.18.

- Minimally, each SLS is required by Commissioner's Regulation §90.18 (d) to employ one qualified SLS Director who works fulltime (.83 – 1.0 FTE) on SLS purposes. In addition, the SLS must employ minimally the full-time equivalent of one or more support staff whose individual or collective FTE is .83 – 1.0.
(http://www.nysl.nysed.gov/libdev/excerpts/finished_regs/9018.htm)
- Full-Time Equivalent (FTE) is defined as the amount of time (expressed as a whole number or a decimal) that an employee devotes to SLS program work and other SLS-related activities.
- Variances from SLS staffing requirements - School library systems facing temporary challenges in employing a full-time qualified SLS Director and/or full-time support

staff may wish to seek a time-limited variance from the requirements in Commissioner's Regulations. Prior to submitting a Variance Request Form to the State Library, the SLS Director should first contact the system's regional liaison at DLD to discuss the situation. If the situation necessitates a variance request, the SLS Director will be asked to send a completed Variance Request Form to DLD. The variance request should include an explanation of why the variance is requested for the program year as well as the system's plan for achieving timely compliance. The form should be signed by the District Superintendent or Superintendent of Big 5 Cities, as appropriate.

- There may be "Ex-Officio" members on an SLS Council. These members are non-voting members and can be, but are not limited to, people from within the organization (a BOCES or City School District), other than the SLS Director.
- In accordance with Commissioner's Regulation §90.18 (b)(2)(i) "Council Members shall serve without compensation." Therefore, because of the possibility of conflict of interest or the appearance of such conflict, Council Members, whether they are voting members or "Ex-Officio" (non-voting) members, should not be engaged as employees or consultants to the system for which they are serving as a Council Member.

Salary Expenditures

Salary payments must be in accordance with the local schedule currently in effect at the BOCES/BIG 5 Cities.

Employee Benefits Expenditures

Fringe benefit rates for a State-funded project must be the same used for other staff of the local agency. Fringe benefits may only be claimed for the salaries, or part thereof, which are actually expended on the State program.

Purchased Services Expenditures

State funds may be used to pay for purchased services expenditures for SLS purposes. Purchased services include the hiring of personnel from outside the agency as consultants, as well as rentals, registrations, admission fees, tuition costs, telephone, repairs to equipment, and contractual services (leases, database vendor service, etc.).

- **Consultants:** The cost basis for a consultant may be an amount per day for a certain number of days or an amount per person or item. The State Library has the authority to request copies of any and all contracts. When there is an employer-employee relationship between the local agency and program personnel, such personnel should not be budgeted as consultants. The existence of an employer-employee relationship is determined by the degree of control exercised by the employer. An employee is usually trained by the employer, is directed in how work is to be performed and has a continuing work relationship with the employer. An independent consultant decides when, where, and how the work is to be performed; is paid according to an agreed-

upon performance or result of work; is free to contract with and work for others and is considered to have expertise in his/her field.

- **Rental Costs:** Expenditures for rental costs are allowable only if the local educational agency is renting from an outside agency. Rent may not be charged when the local educational agency actually owns the space or item involved. Expenditures for building rent may be allowable if the SLS office is housed in a facility outside a BOCES/BIG 5 City building. If rent is charged, the sum total of rental expenditures and overhead allowances may not exceed five percent (5%) of the total State formula funds for SLS Operating Aid (Basic Operating Aid and Supplemental Operating Aid).
- **Telecommunication Costs:** Expenditures for the installation of direct telephone lines (voice, data or telecommunications) for SLS purposes in school libraries in member public school districts and buildings, nonpublic school libraries and the program office are eligible expenses. Unless the SLS program necessitates the installation of separate telephone facilities, monthly service charges may not be prorated and charged as a program expense. However, toll or local usage charges specifically for SLS purposes are allowed.
- **Conference Fees:** Reimbursement of conference fees for SLS member school librarians is an eligible expense as is reimbursement of such fees for the SLS Director. Reimbursement of conference fees for international conferences held outside of the continental United States is not an eligible expenditure of SLS State funds.
- **Delivery Costs:** The cost of contractual delivery or mail service with a non-BOCES vendor is an eligible expense.
- **Equipment Repairs:** Work performed by a non-BOCES vendor is an eligible expense.
- **Electronic Resources:** Database purchases, e-Books and other E-material purchases are eligible expenses.

Grants for Members

State funds may be used for sub-grants or mini-grants to school libraries in member public school districts and buildings and nonpublic school libraries that are related to SLS purposes. Sub-grants to individual library staff in member school libraries for travel or other SLS purposes are allowable and are included in this category for reporting purposes.

Supplies and Materials Expenditures

State funds may be used to purchase supplies and materials for SLS program purposes. Eligible expenses in this category include: books and other print and nonprint library materials, postal supplies, miscellaneous office supplies, equipment costing under \$5,000, magazine subscriptions, software, and miscellaneous program/workshop supplies.

Travel Expenditures

Actual expenses claimed against a State program are limited to the maximum amounts authorized by local participant agency policy. For agencies where such written policy does

not exist, expenditures are allowed at no more than the State-approved maximum travel rates that were in effect at the time the travel occurred. Reimbursement of travel expenditures for international conferences held outside of the continental United States is not an eligible expenditure of SLS State funds.

Equipment Expenditures

An eligible equipment expense meets the following criteria:

- The cost is \$5,000 or more per unit
- The item has a durable shelf life
- The item is for the use of the SLS system and its members

Purchased Services with BOCES

State funds may be used to purchase services resulting from a cross-contract with a BOCES other than the local agency for such activities/items as delivery, mailings, printing and telecommunications for SLS purposes.

Indirect Costs

Approved indirect cost rates for the “Big Five” city school districts (New York City, Buffalo, Rochester, Syracuse, and Yonkers) and each BOCES are computed annually by New York State Education Department (NYSED). *BOCES and Big 5 Cities must use their approved NYSED indirect cost rate and may not exceed that rate.* The State Library will send out a list of the approved indirect cost rates to the SLS Directors on NYLINE-S, as soon as the list is issued by NYSED.

FOR THE SCHOOL LIBRARY SYSTEM PROGRAM, THE MAXIMUM INDIRECT COST RATE IS 5% OF THE DIRECT COST BASE OF THE SLS OPERATING AID (Basic Operating Aid and Supplemental Operating Aid) even if the approved NYSED indirect cost rate is above 5%. *Indirect costs may not be claimed on SLS Categorical Aid for Automation.*

Indirect costs can be broadly defined as central administration costs and certain other organization-wide costs that are incurred in connection with a program but that cannot readily be identified with the program (e.g. payroll preparation, central ordering, and processing). An indirect cost rate may be established that, when applied to the direct costs of a program, generates an amount to be used in support of such central administrative costs.

- **Central Administration:** Eligible expenses include: Expenditures connected with the position and office of the chief school administrator; Expenditures related to carrying out the responsibilities of supervision, business administration, research, personnel recruiting and orientation; Expenditures made by central administration to maintain and improve school-community relations.

- **Operation and Maintenance of Building Other Than Rental:** Eligible expenses include: Expenditures for keeping the physical building open, ready for use and for maintaining existing grounds, buildings and equipment; Expenditures related to cleaning, disinfecting, heating, lighting and other utilities; Communications (including cost-shared postage and telephone), power, moving furniture; Expenditures for renovating or remodeling of district/BOCES-owned property; Expenditures for site preparation unless specific provisions are made otherwise.

General Timetable:

July 1 – SLS Fiscal Program Year Begins

October 1 – Prior Fiscal Year SLS Annual Report Due

April 1 – New York State Budget Passes

April 1 – Amendments to Library System Five Year Plan of Service Due

June 1 (*tentative*) – State Aid Application Due

June 30 – SLS Fiscal Program Year Ends