

FISCAL GUIDELINES FOR SCHOOL LIBRARY SYSTEMS

<http://www.nysl.nysed.gov/libdev/slssap/slsgui.htm>

The University of the State of New York
THE STATE EDUCATION DEPARTMENT
New York State Library
Division of Library Development
Room 10B41, Cultural Education Center
Empire State Plaza
Albany, NY 12230

Revised June 2007



INTRODUCTION

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

- Commissioner’s Regulations 90.18
- State Education Law 282-284
- State Finance Law
- State Education Department Policy

This publication has been prepared by the School Library System (SLS) Program Office, Division of Library Development (DLD), New York State Library, New York State Education Department. All questions concerning its contents should be referred directly to the program office at 518-474-7890.

(I) *FS-20 PROPOSED BUDGETS FOR LIBRARY AID* (Operating Aid and Categorical Aid for Automation)

- The purpose of an FS-20 is to provide the State Education Department and the Office of the State Comptroller with the necessary documentation upon which payments can be based. It also ensures that the annual state aid allocations to the local educational agency have the **prior approval** of the program office at the State Education Department.
- All appropriate local agencies sponsoring an SLS program are advised of application requirements by DLD of the State Education Department through communication with the SLS director/coordinator.
- Incurrence of Program Commitments – Funds are appropriated by the New York State Legislature. Monies are then made available to educational agencies for the following July 1-June 30th operating year. Planning, budgeting, reporting, and accounting should be done on a school year basis.
- Commissioner’s Regulation 90.18 establishes April 30th as the deadline date for submission of the *FS-20 Proposed Budget for Library Aid* to the program offices at the State Education Department. This date varies as it is dependent on the State budget process. Once notified by DLD, the school library system will be able obtain the FS-20s from the online software. The FS-20s will be pre-filled with a state aid allocation provided by DLD to the software vendor. To obtain the system’s username and password to access the online budget application, contact Maria Hazapis in DLD at mhazapis@mail.nysed.gov or by telephone at (518) 486-1330. Program expenditure questions should be directed to the SLS liaison in DLD. Technical questions on how to complete the online portion of the state aid application or use the software should also be directed to Maria Hazapis. To access the software, go to <http://collect.informata.com> or DLD website at www.nysl.nysed.gov/libdev/sarbit/. For software problems, please contact Informata Customer Support at 1-866-785-9935.

The local educational agency submits: *FS-20 – Three Proposed Budget for Library Aid – Operating Aid*
(each with original signatures **in blue ink** of the District Superintendent or official designee)

FS-20 – Three Proposed Budget for Library Aid – Categorical Aid for Automation
(each with original signatures **in blue ink** of the District Superintendent or official designee)

Mail FS-20 forms to: Adriana Mastroianni
New York State Library
Division of Library Development
Room 10B41, Cultural Education Center
Empire State Plaza
Albany, NY 12230

- Copies of the *FS-20 Proposed Budget Library Aid* are reviewed in the Grants Finance Office. After all questions are resolved to their satisfaction, the budget is approved and a copy of the FS-20 is returned to the BOCES/BIG 5 Cities so that the

educational agency can note any changes. Once approved, 100% of state aid is authorized for release/payment to the local educational agency.

- **An agency should wait until the FS-20 has been approved before the agency begins to incur obligations in connection with it; otherwise, the agency runs the risk of having to use local funds to pay for any costs that may be subsequently disallowed by the State Education Department.**
- Variance Request forms may be requested from DLD. Submit Variance Request forms prior to or with the FS-20 submission. An approved copy of the form will be mailed to the SLS once the online budget application is approved.

(II) SCHOOL LIBRARY SYSTEM ONLINE BUDGET APPLICATIONS (Operating Aid and Categorical Aid for Automation)

- The purpose of submitting an application online is to assist the School Library System in planning for necessary program expenditures. It provides the program office at the State Education Department with an itemization of necessary proposed expenditures for the program on an annual basis and assurance that the program is operating according to Education Law and Regulations of the Commissioner. The SLS is a state-aided program set in Education Law and is **NOT** a grant even though the FS-20 form is used. Submitting a budget summary provides a detailed explanation of how the money will be expended, is allocated in the specific categories in order to fulfill program goals, and intended results in the system's approved five-year Plan of Service.
- To obtain the system's username and password to access the online budget application, contact Maria Hazapis in DLD at mhazapis@mail.nysed.gov or by telephone at (518) 486-1330. Program expenditure questions should be directed to the SLS liaison. Technical questions on how to complete the online portion of the state aid application or use the software should also be directed to Maria Hazapis. To access the software, go to <http://collect.informata.com> or DLD website at www.nysl.nysed.gov/libdev/sarbit/ For software problems, please contact Informata Customer Support at 1-866-785-9935. The online state budget application cannot be submitted to DLD until the entire application is completely filled out for all applicable state aid programs. All budget online applications must be submitted electronically. Current Indirect Cost rates should be available to DLD in May. The rates will be posted on NYLINE-S for your use.
- DLD will notify systems when they may access their online budget applications. A message will be transmitted on NYLINE-S.
- Proposed expenditures listed in specific categories must provide detail using the State annotation function in the software.
- All costs are to be reported in whole dollar amounts only.
- Complete **all applicable information** on the online budget application form. Unless instructed otherwise, enter zero ("0") if no expenditure is allocated.
- DLD will contact the school library system once the online budget application is approved. The school library system will also be notified of any changes to their online application. Library Development will unlock the software so that the system can print a copy of their changed budget so that program accounting records are maintained at the SLS, the agency Business Office, and at DLD.
- Failure to submit FS-20s and online budgets when advised, meet requirements in regulations, or submit in a timely fashion could result in withholding of subsequent state aid payments to the local educational agency sponsoring the school library system program.
- Since this is a 100% payment state-aided program, a *FS-10-A Proposed Amendment for a Federal or State Project* and *FS-10-F Final Expenditure for a Federal or State Project* are **not** required for this program, and will **not** be processed by DLD or the SED Office of Grants Finance. Any amendment to the approved online budget application should be handled as an internal budget transfer within the educational agency. Final expenditures by category will be reported on the system annual report the following year.

Online Budget Applications: Proposed Expenditure Categories

Personnel Positions (Codes 15 and 16)

- It is required that the specific job title and name of the person(s) performing the job and FTE for each position of person(s) be listed in Codes 15 and 16. Full-Time Equivalent is the amount of time expressed in a whole number or a decimal that an employee works in the State aided program. For example, two half-time teachers (.50 FTE each) working the full length of the program year equal one full-time (1.0 FTE) equivalent, while an aide working one day a week for the whole program year equals .20 full-time equivalent (FTE).
- Salary payments are to be in accordance with the local schedule currently in effect in the BOCES/BIG 5 Cities. School Library System directors and their required support staff are to be employed and paid on a full-time annual basis in order to provide all services related to the School Library System program per Commissioner's Regulation 90.18. Full-time for this program equals .83 FTE (10 months) to 1.0 FTE (full-time 12 months). Variance forms are not available online. A request for a variance must be discussed with DLD system liaison prior to the mailing of the form to the SLS. Variance forms must be mailed with an original signature of the District Superintendent (BOCES) or Superintendent of Big 5 Cities and must include an explanation of why the variance is required for the program year.
- 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 should not be engaged as employees or consultants to the system for which they are serving as a Council member.

Purchased Services (Code 40)

- 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.).
- When budgeting purchased services, include as much information as possible on the purpose of the expenditure and the cost basis. 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. More specific information, such as the dates on which services will be rendered or the name and qualifications of consultants, should be submitted as this becomes known. The program office reserves the right to request copies of any and all contracts.
- When there exists 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 widely considered as an expert in his/her field.
- Rental costs should be listed as code 40 on *the School Library System Online Budget Application – Operating Aid*. Rental Costs are allowable only if the local educational agency is renting from an outside agency. Rent cannot be charged when the local educational agency actually owns the space or item involved. Building rent can only be included in a *School Library System Online Budget Application* if the School Library System office is housed in a facility outside of 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 budget total for direct costs minus charges for equipment and BOCES services.
- Indirect Cost is included in Code 90 on the *School Library System Online Budget Application - Operating Aid only*.
- Installation of direct telephone lines (voice, data, or telecommunications) for School Library System purposes (in school library media centers in member public school districts and buildings; nonpublic school library media centers; and, program office) are allowable expenses. Unless the 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 program purposes (SLS office) are allowed.

- The cost of mailings and postage are allowable charges and may be included in Code 40 or Code 49. Supplies for postage are included in Code 45.
- Reimbursement of conference fees for member school library media specialists must should be listed in Code 40.

Supplies and Materials (Code 45)

- The online budget application should include a description of the item, the quantity, unit cost, and total expense estimate for equipment and supply items required for the School Library System. Equipment (Code 20) is not included in the calculation of Indirect Cost (Code 90). Equipment costing \$5,000 or more per unit must be listed in Equipment (Code 20). Equipment and supplies costing \$5,000 or less per unit must be listed in Supplies and Materials (Code 45).
- Repairs of equipment should be budgeted under Purchased Services, Code 40 (if less than \$5,000).
- Magazine subscriptions and electronic database costs for School Library System **use** may be approved for periods extending beyond the 12 months of the fiscal year in which the program was funded if it is evident that the rate during the longer period of time would be less than would be the rate for single-year subscriptions.
- The normal cost of mailings may be included in Code 40. Costs for a contractual delivery service, such as delivery or mail services, overnight vendor, etc. are allowable charges under Code 40. Contracts for delivery using BOCES/Big 5 delivery should be listed under Code 40 or Code 49 (BOCES only).
- Postal supplies should be listed in Code 45.

Travel Expenses (Code 46)

- 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.
- Travel/conference costs apply **ONLY** to persons employed in the program (SLS staff and **NOT** members of the SLS).

Employee Benefits (Code 80)

- 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 is actually expended in the State program. (FTE in SLS)

Indirect Cost (Code 90)

- 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** – Allowable expenses include: Those 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; and, expenditures made by central administration to maintain and improve school-community relations.
 - **Operation and Maintenance of Plant Other Than Rental** – Allowable expenses include: Expenditures for keeping the physical plant 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, providing storage, handling stores, and cartage; expenditures for renovating or remodeling of district/BOCES-owned property; and, expenditures for site preparation unless specific provisions are made otherwise.

- 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. ***BOCES and Big 5 Cities must use their approved Department indirect cost rate on the online budget application for Operating Aid.*** FOR THE SCHOOL LIBRARY SYSTEM PROGRAM, THE MAXIMUM INDIRECT COST RATE IS 5% OF THE DIRECT COST BASE OF THE OPERATION BUDGET. ***Indirect costs may not be claimed on Categorical Aid for Automation budget.***
- Indirect costs are budgeted in Code 90 of the ***SLS Online Budget Application – Operating Aid.*** The approval rate is applied against the Direct Cost Base (total of all proposed expenditures in categories Code 15, Code 16, Code 40, Code 45, Code 46, and Code 80) and results in an amount available for indirect cost purposes.

Equipment (Code 20)

- The budget should include a description of the item, quantity, unit cost, and total expense estimate for equipment and supply items required for the School Library System. Equipment costing \$5,000 or more per unit must be listed in Equipment (Code 20).
- Equipment costing \$5,000 or less per unit must be listed in Supplies and Materials (Code 45).
- Equipment must be itemized in the *School Library System Online Budget Application* and have a durable life. Equipment must be for the use of the SLS and its members.
- Repairs of equipment should be budgeted under Purchased Services (Code 40).
- Equipment (Code 20) is not included in the calculation of Indirect Cost (Code 90).

Purchased Services with BOCES (Code 49)

- Expenditures in this category apply only to purchased services from or cross-contract with a BOCES other than the applicant agency, such as: Purchased Services from a BOCES (delivery, mailings, telecommunications, etc.).
- Purchased Services with BOCES (Code 49) are not included in the calculation of Indirect Cost (Code 90).

Budget Summary

- All online ***budget applications*** will include a budget summary (a brief description of the purpose of the proposed program expenditures in all categories). Expenditures must be linked to the Goals in the SLS approved Plan of Service. The State Education Department reserves the right to request further information regarding any proposed expenditure appearing on an online budget application.

(III) ROLLOVER OF FUNDS

- **Rollover funds are unexpended funds from one budget application year to the following budget application year. These funds must be accounted for separately by the agency’s Business Office.** DO NOT add rollover monies to the following year’s state aid allocation. Annual program allocations are set annually in Education Law, determined by the NYS Legislature, and ***may not be increased.*** Unexpended funds may be rolled over from any budget category into Codes 40 (Purchased Services), Code 45 (Supplies and Materials) or Code 20 (Equipment) **ONLY**, and must be totally expended during the program year following the state appropriation.

- Rollover amounts submitted to DLD are included in the online system annual report submitted on or before September 30th for the preceding funding year and will be approved as part of the online system annual report approval process. SLS will not be required to submit separate Rollover forms to DLD for approval.
- The School Library System will be notified once the online Annual Report is approved.
- Copies of documentation such as claim forms, travel vouchers, and invoices should **not** be mailed to DLD nor sent with the online Annual Report. Such documentation must be retained in the local educational agency's program file and be available for examination if a field audit should occur. Each agency should maintain sufficient accounting records of receipts and expenditures for the program to facilitate the completion of the **Rollover** amounts on the online system annual report. (data elements 7.63-7.70 and Part 11)
- If **no funds are rolled over**, enter zeroes ("0") in the appropriate categories (40, 45, 20) in the appropriate data elements on the online system annual report.

Minor Remodeling

- Minor remodeling is not an allowable expense in this program. The online budget application does not allow for expenditures in this category for the program.

Further Information May Be Requested

- The State Education Department reserves the right to request further information regarding any proposed expenditure appearing on a **online system budget application(s)** or any actual expenditure appearing as a **Rollover** amount on the online system annual report following the year that the state aid was appropriated.