

**ILLINOIS HEARTLAND LIBRARY SYSTEM
FY 2015**

GENERAL FUND BUDGET ASSUMPTIONS

OVERVIEW

The Illinois Heartland Library System (IHLS) General Fund budget was developed in March and April 2013 and is due to the Illinois State Library May 1, 2014--one month earlier than in years past. It is based on a combination of historical trends and projections and was prepared using the *Chart of Accounts* and *Description of Accounts* as found in the Uniform Accounting and Reporting Manual for the Illinois Library System Headquarters. The budget will cover the fiscal year that ends June 30, 2015. The budget will be used by the board of directors and the executive team as a financial guide. It is supportive of the initiatives contained in the annual Plan of Service.

Highlights of the major income and expense categories are as follows:

GENERAL FUND

REVENUES

Area & Per Capita Grant is anticipated at the same level as the FY 2012 - 2013 and FY 2013 - 2014 amounts.

Fees for Services and Materials is for CE classes that IHLS provides to member libraries, examples include Member Day and E-rate classes.

Reimbursements includes reimbursements for retiree health insurance as well as member library domain name registrations.

Investment Income is interest earned from funds on deposit with Illinois Funds, money market accounts, or other accounts held at local financial institutions. Investment income is based on historical performance.

Other Revenue includes revenues from room rentals, leases, and administrative fees as allowed by select grants.

EXPENDITURES

Personnel

Salaries and Wages is figured on current and anticipated staffing needs and includes a 3% increase.

Payroll Taxes and Fringe Benefits includes social security and medicare costs, unemployment taxes, workers' compensation insurance, IMRF (retirement), and health, dental, vision, and life insurance. Most of these items are based on a percentage of payroll dollars, except for health, dental, vision, and life insurance which is estimated on a 12% increase over FY 2013 - 2014 costs.

IMRF sets rates based on calendar year. IMRF rates for FY2015 are 21.57% for July - December, 2014, and 14.49% for January – June, 2015. It may be helpful to note the IMRF rates for FY2014 are: 25.05% for July - December, 2013 and 21.57% for January – June, 2014.

Recruiting is to cover drug screens, background checks, job postings, and also attending job fairs and community events to recruit new staff.

Building and Grounds

This account section includes rent at the DuQuoin location as established under contract. It also includes utilities for all locations based on projected FY 2013 - 2014 usage. It includes property insurance with a 10% increase to cover any additional premiums. The increased amount over the FY 2013 - 2014 budgeted amount in Repairs and Maintenance is based on actual usage numbers for the FY 2013 - 2014 year. Custodial/Janitorial Service and Supplies is very similar to prior years and is based on actual usage. Other Building and Grounds includes trash, pest, burglar alarms, and miscellaneous expenses at current usage levels.

Vehicle Expenses

The largest expense by far under this heading is fuel for delivery vehicles. The budgeted amount for fuel is lower than FY 2013 - 2014's budget amount, but is keeping in line with the FY 2013 - 2014 actual usage. It does include a 15% increased projection to help offset fuel fluctuations. Other expenses include fuel for consultants traveling to other IHLS locations and member libraries. It also includes repairs and maintenance to the fleet, auto insurance, and other expenses, such as licensing new vehicles, snow brushes, van washing, etc.

Travel and Continuing Education -- Staff and Board

This category includes reimbursements for travel of board members attending board meetings, staff travel to member libraries and other locations, staff travel to conferences, registrations for continuing education classes and seminars, and meeting expenses.

There is an increase over FY 2013 - 2014 budgeted amounts, however the FY 2014 - 2015 budgeted amount accurately reflects projected actual FY 2013 - 2014 expenditures. Wellness initiatives to address traditional health concerns and create a healthy work environment with discount gym memberships, walk-a-thons, step counters, health fairs, resource day and community events for staff. Also includes parliamentary procedure training (retreat) for new board summer 2014.

Continuing Education and Meetings -- Other than Staff and Board

This reflects IHLS costs to provide continuing education to IHLS member libraries through activities like Member Day. (Money collected for Member Day is shown in the Revenue line Fees for Services and Materials).

Liability Insurance

This category includes payments for the umbrella liability policy as well as officers and directors liability coverage.

Supplies, Postage, and Printing

This category includes computer supplies, which is budgeted based on actual projections from FY 2013 - 2014. It also includes the purchase of new laptops for staff use and also new tablets for the delivery vehicles. General office supplies and equipment is up over FY 2013 - FY 2014 budgeted amount, and is in line with actual expenses. Postage, delivery supplies, and other miscellaneous supplies are budgeted at historical usage.

Telephone and Telecommunications

Local & long distance, toll free line, fax line, conference calls, and cell phones are all budgeted based on actual projections for FY 2013 - 2014 and estimated usage for FY 2014 - 2015. Telecommunications includes charges for the MIFI's, Van GPS, ICN filtering, VTEL lease & registration, internet, and miscellaneous telecom expenses.

The Telephone and Telecommunications area of the budget is more accurate this year. Many accounts have been consolidated from previous years, and appropriate funds are being billed for their portions of the telephone lines. A change of telecommunications provider is also anticipated in the upcoming year that will further consolidate our telephone lines as well. The budget lines for these services are based on actual amounts from FY14, and the actual numbers for FY15 will be no higher than the budget numbers presented in the document.

Equipment, Rental, Repair & Maintenance

IHLS pays contracted amounts for the copier & printer leases, as well as the generator maintenance.

Professional Services

Professional services is comprised of legal, accounting, and consulting services. It is anticipated that IHLS will continue to need ongoing legal counsel for real estate, board and personnel matters. Accounting services include the annual audit as well as accounting consultants for software and procedural guidance. Consulting on the long-range plan is also included.

Contractual Services

Contractual services include information service costs, such as LogMeIn, WebEx, Lynda.com training, and others. Contractual agreements with other systems is for RAILS to provide CE to our members (there is a corresponding revenue in the Fees for Services and Materials line). Outside printing includes hats and shirts printed for delivery drivers. Other contractual services include domain registrations (member library domains are reimbursed and accounted for in the Reimbursements revenue line), it also covers Survey Monkey costs.

Professional Association Membership Dues

Dues for professional association memberships are included for the Human Resources Coordinator and the Chief Financial Officer to maintain connected to their fields. Also included is an organizational membership with Illinois Library Association which is a requirement to participate in the Fund for Illinois Libraries for purposes of additional grant applications requiring 501 (c) 3 tax status.

Miscellaneous

This account includes payments for bank charges, printed checks, official functions, lost books by IHLS, and other miscellaneous expenditures not included in any other category. The budgeted amount is less than the FY 2013 - 2014 budgeted amount, however is in line with projected actual expenses for FY 2013 - 2014.

Capital Outlays (Greater than \$5,000/item)

Computer Hardware and Software

Approximately \$25,000 is budgeted for a robust accounting software that will be more efficient for the accounting department in day-to-day operations as well as in reporting and oversight. It will also allow managers to have more reporting options, as well as better access to their department expenses. A human resources software purchase is also budgeted at \$20,000 to enable more efficient time reporting, leave tracking, staff training, and other human resources specific needs.