

# POUDRE RIVER PUBLIC LIBRARY DISTRICT

## AGENDA ITEM SUMMARY

Name of Requestor: Linda Gabel  
Appearance Date: November 11, 2013  
Time Required: 20 minutes  
Date Decision Needed: November 11, 2013

**Agenda Item:**

**VII. NEW BUSINESS**

- A. Amendment to PRPLD Finance & Business Policies, 2.2 Budget Policy  
re: Capital Projects

**Objective:**

Amend the budget policy regarding capital projects so that the budgets remain in effect for the entire project term

**Situation:**

As originally adopted in May, 2008, all budgets for the Library District lapse at the end of the fiscal year. As a result, the budgets for any capital projects that are in process at December 31 end and new budgets must be approved for the next fiscal year for the amount needed for project completion. This process requires an estimation of what portion of a project will be completed at year end and has caused some confusion as to the total amount committed to a project.

**Proposal:**

Management is proposing the Budget Policy (2.2) be amended so that, once approved in total, a capital project budget does not lapse until project completion. The policy change is proposed for current and future budgets. The revised policy is in compliance with generally accepted government accounting principles and, as such, would not present an audit issue. The Library District's Finance Committee and Policy Committee have reviewed this change and are in favor of it

**Advantages:**

The amended policy will be simpler to administer and understand and may result in fewer budget amendments.

**Disadvantages:**

Currently the budgets adopted by the Board of Trustees include all funds anticipated being spent in that fiscal year. This change results in annual appropriations for operating activities and total costs of specific capital projects regardless of the fiscal year in which expenditures occur.

**Requested Action:**

Approve a resolution changing the current Budget Policy, which reads "All unexpended annual appropriations lapse at year-end" to "All unexpended annual appropriations for operating and capital replacement funds lapse at year-end. Appropriations for capital projects continue until completion of the specific project."

**Potentially Affected Interest:**

General public, staff, Trustees

**Level of Public Interest and Participation:**

low - moderate