

**V. LIBRARY SERVICES AND TECHNOLOGY ACT (LSTA)**

**A.1 Finances - Non-Cognizable Request**

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Non-state funds are defined as non-cognizable when there was incomplete knowledge of the level of revenues available and expenditures required at the time of the state appropriation process. This can be the case when our annual budget request is submitted in September and Congress hasn't yet appropriated LSTA funds for the federal year beginning in October. Our annual budget request includes our best estimate of the total federal funds we will expend in the fiscal year beginning 10 months in the future, and passage of our annual budget caps our spending authority for federal funds at that level regardless of the actual amount of our LSTA award.

Our current need for additional spending authority in the federal fund results from a combination of moving all Talking Book Service personnel and operating to LSTA funds as of July 2009, and budgeting more in LSTA operating for statewide programs than we have in the past few fiscal years. Our actual LSTA award is sufficient to cover the increase in spending authority.

The State's non-cognizable request process allows an agency to address the need for additional spending authority when the level of revenues available and expenditures were not known at the time the Legislature passed the budget. If approved by the Board of Library Commissioners, this request will be submitted to the Division of Financial Management for consideration.

**Suggested motion:** I move that the State Librarian process a FY2010 non-cognizable request in the amount of \$91,000 to increase spending authority in the federal fund to cover operating expenses through the end of the state fiscal year 2010.

MSC \_\_\_\_\_