

**V. LIBRARY SERVICES AND TECHNOLOGY ACT**

**A.1 Finances – Federal Fund Non-Cognizable and Object Transfer 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. Our annual budget request, submitted in September, 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 funds we receive.

Staff's success in soliciting grants and donations means that we've received more in the federal fund this year than we have in spending authority, including a recent \$250,000 grant from the IMLS for the Routes to Reading project. We do not have sufficient spending authority to expend the expected expenses this fiscal year, \$142,000.

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 FY2013 non-cognizable request in the amount of \$142,000 to increase spending authority in the federal fund to cover operating expenses through the end of FY2013.

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Our annual state budget request includes an estimate of the total federal funds we will receive and expend in the state fiscal year. That estimate includes amounts for personnel, operating, capital, and trustee and benefit (T&B). Passage of our annual appropriation gives us spending authority for up to those amounts in each category, regardless of the actual amount of our LSTA allotment.

Currently, FY13 spending authority for federal funds is \$693,400 in operating and \$284,400 in T&B. Moving spending authority from T&B to operating will help us fulfill our LSTA financial plan for FY13.

**Suggested motion:** I move that the FY 2013 appropriation for the federal fund be adjusted by transferring up to \$200,000 from T & B to operating.

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