

SECTION XII--INTERPRETATIONS

ACCOUNTING INTERPRETATION NO. 4

Subject: Powers of Municipal Board vs. Library Board

Municipal Board:

A Municipal Board body may budget money in lump sum for library use. The Municipal Board may raise or lower this lump sum budget each year depending on the outcome of budget negotiations with the Library Board. The Municipal Board does not have the authority to give specific direction of library expenditures for amounts such as books and computers. **Based upon recent legislation, the municipal governing board are to set salaries and benefits of library personnel.**

Library Board:

The Library Board has authoritative power over fines, grants and bequests entrusted to them. The Library Board may make expenditures and keep various bank accounts concerning these monies without approval from the Municipal Board. However, the Library Board must make full accounting of these funds to the Municipal Board in an annual report at the end of the year.

The Library Board also has the authority to direct the expenditures of dollars budgeted by the Municipal Board for library purchases. The Library Board may hire staff that will be paid from the Municipal Board budget. The Library Board may also buy supplies and pay other bills from dollars budgeted to them by the Municipal Board. However, the Library Board must stay within the overall budget set by the governing body. If the Library Board runs short during the year, they may either ask the Municipal Board for a budget increase, dip into their fines money or curtail expenditures to get through the remainder of the year.

The Library Board may also apply for and administer library grants without the approval or intervention of the Municipal Board. However, as is the case with all governmental grants, these grants would be subject to audit as applicable.

The Library Board is required to file an annual report with the Municipal Board of the municipality. This information should be filed in a timely manner so that its data may be merged with the entity wide annual report.

Source: SDCL 14-2, AGR 82-33 and AGR 81-39.