

GEORGIA PUBLIC LIBRARY SERVICES (GPLS)

ISSUES RELATED TO USE OF PUBLIC LIBRARY STATE GRANT FUNDS

September 9, 2009

The following questions, answers, supporting information, and recommendations were formulated in response to numerous inquiries received by GPLS from library systems throughout the State. Every effort has been made to consider the intent of various laws, rules and regulations as they relate to expenditure of State, Federal and local funds used for the purpose of aiding and supplementing the establishment and development of public library services.

1. Is it appropriate to expend System Services Grant (SSG) funds or other State Grant funds to increase/supplement salaries of State employees in excess of the State approved salary scale? **No**

Consistent with the Board of Regents' (BOR) policy 803.12.02 CRITERIA FOR DETERMINING SALARIES and its policy on nondiscrimination, "each unit of the University System shall utilize specific criteria for the determination of entry-level salaries for full-time positions...and for the determination of the extent of salary increases awarded to currently employed full-time positions". As a unit of the University System of Georgia, GPLS has adopted a salary scale which identifies specific criteria for use in providing State salary funds to local and regional libraries.

BOR policy 803.12.05 SALARY SUPPLEMENTS FROM COOPERATIVE ORGANIZATIONS states in part "No consideration shall be given to salary supplements that may be paid from cooperative organizations or other sources in order that salary supplements will be over and above the regular salary paid with State funds.

Alternative Approach: If SSG or other State grant funds have been used to supplement State paid positions the practice should be discontinued. Further, for the current fiscal year ending June 30, 2009, salaries of State funded positions should be reclassified as local expenditures for salaries. It is permissible to reclassify allowable expenditures charged to local funds as State fund expenditures to off-set this adjustment.

Recommendation: Insert the following sentence in the *Requirements for Public Library State Grant Funds* at 2.3 and 2.4: The [System Services Grant/SLBPH Grant] shall not be used to **supplement** or supplant State paid public library positions.

2. Is it appropriate to expend SSG funds for State paid employees to work on days targeted as furlough days by the Board of Regents? **No**

In accordance with the July 21, 2009, memorandum received from the Office of Planning and Budget, the BOR is withholding funding equivalent to 3 furlough days for all State funded employees over the course of the first half of Fiscal Year 2010.

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Alternative Approach: SSG grant funds could be used for allowable expenditures normally covered with local funds. Then the System could use local funds for work performed on the furlough days.

Recommendation: Insert the following sentence in the *Requirements for Public Library State Grant Funds* at 2.3 and 2.4: The [System Services Grant/SLBPH Grant] shall not be used to supplement or **supplant** State paid public library positions.

3. Is it appropriate to pay employees out of local funds and still let them have the furlough day off as a bonus? **No**

Requirements for Public Library State Grant Funds 4.9 states “all revenue from all sources that comes to the library system or a member library is public funds and shall be reported in the Annual Report and Application for the Renewal of Grant Funds and shall be subject to annual audit” to be used for the purpose of aiding and supplementing the establishment and development of public library services.

The position in 4.9 above is intended to provide uniformity in the receipt and use of funds from various funding agencies with various spending requirements. For example, Local Education Agencies (LEA) are required by law to expend funds for “Educational Purposes”. When the library receives funds from the LEA they must effectively meet this underlying requirement.

Therefore, it would be improper use of public funds to pay for services not rendered.

4. Is it appropriate for local and regional library systems to adopt a travel policy other than *Statewide Travel Regulations* adopted by the State Accounting Office? **No**

However, the regulations do provide flexibility in approving travel in excess of standard amounts on an exception basis, but not across the board increases.

In accordance with *Requirements for Public Library State Grant Funds* 4.2.1, “all revenue from all sources that come to the library system or a member library is public funds and shall be reported in the Annual Report and Application for the Renewal of Grant Funds and shall be subject to annual audit”.

The use of public funds (State, Federal and Local), which are effectively comingled for travel, should be expended in accordance with the *Statewide Travel Regulations*.

Recommendation: Insert the following sentence in the *Requirements for Public Library State Grant Funds* at 2.3 and 2.4: **The [System Services Grant/SLBPH Grant] shall follow *Statewide Travel Regulations* issued by the State Accounting Office when used for travel and related expenditures.**

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5. Are meals not associated with overnight travel allowable under *State Travel Regulations*?
Yes

State Travel Regulations -Chapter 10 Exceptions to Travel Regulations - General Provisions states “Sometimes unusual circumstances may arise that require employees to incur travel not reimbursable under the current travel regulations. When this occurs, the other designated official may request an exception to the travel regulations, for reimbursement”. It further states “Agencies should not consider approved exceptions to be a blanket waiver of regulations. Exceptions are only granted for an individual or individuals participating in a scheduled event, and are only allowable for the specified dates of the event”.

6. Are food expenditures allowable for: a) all day staff development programs, b) board meetings for board members, and c) children at program events?
- a) **Yes** - If the requirements of *State Travel Regulations* related to *Meals Not Associated with Overnight Travel* are followed. However, pay particular attention to the last sentence in the first bullet, which states “Employees are not authorized to receive this per diem if they leave the premises of the meeting site”.
- b) **Yes** – In accordance with *OCCA 20-5-44 Compensation of trustees*, “Members of the board of trustees shall receive no compensation; provided, however, that such members may be reimbursed for any reasonable and necessary expenses incurred in the performance of library business or if stipulated in terms of any bequest or gift”. If deemed reasonable and necessary for meetings of board members, then it should be considered an allowable expenditure of State funds. Care should be exercised to stay within per meal guidelines approved in *State Travel Regulations*.
- c) **Yes** – If food is deemed a reasonable and necessary part of the children’s program, then it should be considered an allowable expenditure of State funds.