



Managing the Budget

Ask for funding and provide justification. Don't make the mistake of not providing a compelling argument. Tell your bosses that you specifically need money for a collection or databases that is used by "the School of X". Fill in the "X" with the relevant school that carries the most weight in your organization.

Tell your financial supporters what you need and include a wish list. Don't just include the necessities in your list of needs for the budget. Have two lists, the first of priority items with explanations and the second a wish list of projects you would like to do if you had funding. You would be surprised sometimes at what others making the budget decisions will feel is "worthy" of additional funding. In the past our Library has received donations from people who knew we wanted to move forward with a project but did not have the funding. Donors who have a particular interest will often fund those projected related to their interest.

Know where all your money is coming from and going to. The Health Sciences and Human Services Library had a practice of moving money around from different accounts to cover expenses. Unfortunately this practice masked that fact that databases were gravely under funded for years which made it difficult to ask for such a huge jump in the funding to cover the upcoming years' expenses.

Categorize and document expenses accurately. This will help you determine if your expenses increase or decrease and how much money you will need next year.



Auditing the Accounting Processes

Pay your bills on time. Paying bills months behind or even years behind only makes it more difficult to actually determine what your actual expenses are from month to month or year to year.

Timely collection of bad debts. If you do not attempt to collect on debts owed to you, others will not pay you out of the kindness of their heart. This means you need to have a system in place to send bad debts to credit agencies. Some library users will accumulate thousands of dollars worth of fines from lost books if left unchecked. If you do not act promptly the chance that you will recover this money is very low.

Negotiate better contracts. Do not simply just continue to renew contracts without updating the terms. Get out the magnifying glass and scrutinize each one and ask yourself, are we paying anything that is a duplication? Do our users still value this service, subscription, book?

Control Creeping Costs. Certain costs slowly increase each year until they are eating away at the budgets. For example, by performing a phone audit of the staff phone lines in the Health Sciences and Human Services Library, we were able to eliminate unused lines and re-allocate lines for better business use. The Library saved almost \$2,000 in phone fees over one year by auditing the phone bill.

Set limits on spending. Let staff know that your money supply is not a bottomless pit. Inform staff of the budget amount and let them help figure out ways to save. They can participate in deciding which projects should take priority on some areas of the budget. Complex budget decisions should be made by management.



Other Potential Sources of Revenue

Develop relationships with your frequent users, they are potential donors. If your most important faculty member will not have access to his favorite database because the Library will be short in funding, ask she/he write a letter of support in obtaining funds for your needs.

Donors as well as potential donors should be informed about events in the Library and upcoming projects they may want to contribute toward.

Apply for grants that support the mission of your library and help you work toward future goals.

Fundraising should be undertaken whenever an opportunity exists to fund a new project that donors may relate to and be interested in.

Invest in an accounting system that will allow you to bill for all of your services offered. A good accounting system should not be overlooked. Without the ability to charge for your services you will find yourself giving services away and paying for things without a way to bill back departments or users.

Cost Saving, Revenue Generating Tips



Recapture Revenue Lost Due to Inefficiencies

Keep up with technology. Don't pay too much maintaining old copiers & printers. Check your maintenance fees and cost per copy fees. Old copiers cost more than newer copiers to maintain and have a higher cost per copy. Most times old copiers can be replaced for newer more efficient copiers for a lower total cost than the cost of the old copier leasing and maintenance cost.

Be forward thinking, buy durable non-technology goods that won't need to be replaced in one or two years. If you buy durable chairs for your study rooms and tables you will not have to replace them in three or four years. A comfort style wood chair may last 20 year while a fabric chair may only last 4-5 years.

Reduce turnover costs by paying employees competitively based on market place comparisons and by creating an inviting environment that retains quality staff. Find out how much it is costing on average to advertise, replace and train an employee. Factor in any overtime pay you may also have to pay in the absence of a staff member. Consider paying your staff a little higher than the market to reduce turnover and help retain the best staff.

Evaluate positions & employee skills ensuring work processes are still relevant to current needs of users. You probably need fewer bindery clerks and shelvees, and more I.T. support than you did 10 years ago.



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A note from the authors:

The Library has experienced shortfalls in funding and other financial challenges. In 2005 the Library appointed an Assistant Director for Business Development and Operations to oversee accounting functions and audit business practices to ensure the best possible financial decisions are made. The results of the audit indicated a need to implement changes which included establishing an official Accounting Department. The Library is now positioned for future financial success and has reduced hidden added expenses that previously went unchecked. Tips used during the audit process are presented in this brochure.



Positioning your Library for Financial Success

Balancing the Budget

Cost Saving, Revenue Generating Tips



Health Sciences and
Human Services Library



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