

# Budgeting and Finance for Library Trustees

New Hampshire Library Trustees Association  
July 2024

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## Introductions

Brittany Durgin, Director  
Moultonborough Public Library  
[director@moultonboroughlibrary.org](mailto:director@moultonboroughlibrary.org)  
603-476-8895

Adam Shlager, Director  
Weeks Public Library in Greenland, NH  
[director@weekspubliclibrary.org](mailto:director@weekspubliclibrary.org)  
603-436-8548

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## Today's Talk

- Communicating with Stakeholders
- Determining need: Communication with staff, trustees and friends
- Creating a timeline for budget season
- Building a budget and chart of accounts

Lunch

- Capital Improvement Plans
- Memorandum of Understanding agreements
- Grant Funding

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## Additional Budget Information



New Hampshire RSAs related to libraries, budgeting, and finances:  
<https://nhila.org/Pages/Index/228053/rsas-nh-laws>



Free legal hotline for municipalities (with membership):  
<https://www.nhmunical.org/legal-services>

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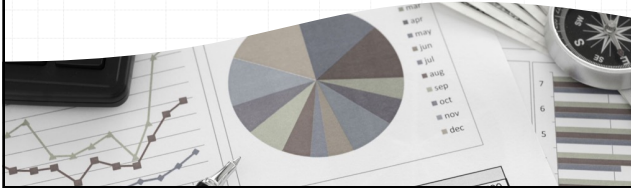
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## Budgeting Basics

OR: What to do when  $2+2 = 3$   
 (& other advanced math)



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## Potential Concerns/Questions:

- ☐ I have no training in Finance
- ☐ Budgets are complex/difficult
  - ☐ Numbers are hard
- ☐ We're volunteers! How can we know this stuff?
- ☐ I'm not very good with Excel
- ☐ So many RSA's
- ☐ How do I set priorities?

New Hampshire Statutes CHAPTER 202-A: PUBLIC LIBRARIES

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Maybe Not so Obvious but...

Budgeting is as much a political process as it is a set of financial calculations

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That doesn't mean you need to become a politician!

*The secret of life is honesty and fair dealing. If you can fake that, you've got it made!*

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Libraries, Politics, and Communication

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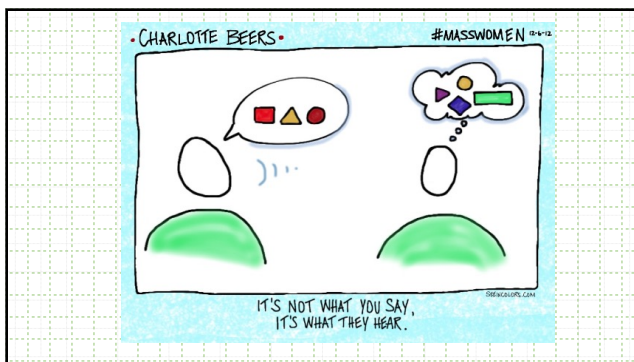
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### Determining need: Communication with staff, trustees and friends



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### Staff Input

Reflect on current fiscal year

- Were we able to provide the services needed?
- Did we overspend in areas?

Look ahead to next fiscal year

- Are there services we plan to discontinue or implement?
- Are changing community needs reflected in our budget?
- Are there one-time projects or grants that require additional funding?



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### Friends of the Library Commitment

Where do goals align?

- Outreach
- Youth Programs
- Beautification projects

What have they funded in the past?

Are there new opportunities?

#### FRIENDS OF THE LIBRARY

Over \$14,000!

YOUTH PROGRAMS		ADULT PROGRAMS	
Summer Reading	\$500	Masterpiece Pottery	\$1,400
One Book, One Child	\$1,785	Reading Circle	\$200
Summer Reading	\$500	Reading Circle	\$200
Juggling Show	\$400	Book & Author Luncheon	\$400
Reading Circles	\$200	Adult Book Club	\$1,500
Children's Furniture	\$475	Adult Speakers	\$1,500

#### 2023 DONATIONS

The Friends also contribute in many other ways:

- Book Talk
- Soup-n-Sweets
- Chocolate Faire
- Holiday Open House
- Book & Author Luncheon
- House Tour
- Mary Rice Award

Thank You, Friends!

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## Trustees Goals and Priorities

Considerations:

- Strategic Plan Goals/Technology Plan
- Community feedback
- Local government priorities

Determine funding sources:

- Review expenditures by line and funding source
- Adjust as needed



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## Timelines

Trustees Annual Calendar

- Include budget planning discussions
- Deadlines for budget and warrant requests
- Important meeting dates

- |  |  |
|--|--|
| <b>JANUARY</b>   |  |
| Budget of Trustees financial data                                  |  |
| Budget meeting with Solicitors and A&C                             |  |
| <b>FEBRUARY</b>  |  |
| Budget definitive review   |  |
| Begin review of Library/Personnel file                             |  |
| Review of Finance Committee  |  |
| Review Review  |  |
| Review of Finance at Town Hall                                     |  |
| <b>MARCH</b>   |  |
| Review of review of library policies                               |  |
| Review present and future staffing needs                           |  |
| Review of Finance Committee  |  |
| Library Director's Town Hall                                       |  |
| <b>APRIL</b>   |  |
| Final Public Hearing   |  |
| Conclude review of library policies                                |  |
| Review museum pass usage   |  |
| <b>MAY</b>   |  |
| Review Trustee's - Town Meeting                                    |  |
| Survey adjustment discussion                                       |  |
| <b>JUNE</b>  |  |
| Book sale set up and preparation                                   |  |
| Review of Director and staff performance reviews                   |  |
| Giles Board updates  |  |
| Potential alternate Potomac House                                  |  |
| Board member reports to website                                    |  |
| NHQA Spring Conference   |  |
| <b>JULY</b>  |  |
| Book Sale  |  |
| No trustee meeting   |  |
| <b>AUGUST</b>  |  |
| Review of progress prepare possible CPC items                      |  |
| Technology update  |  |
| Update Capital improvement plan                                    |  |
| <b>SEPTEMBER</b>   |  |
| CPC documentation due for board discussion/warrant request         |  |
| Review of Finance Committee  |  |
| <b>OCTOBER</b>   |  |
| CPC Presentation   |  |
| Review non-resident and policy                                     |  |
| Review of Finance Committee  |  |
| Review of Finance Committee budget guidelines/updates              |  |
| Review of Finance Committee budget                                 |  |
| Competitive salary information for A&C                             |  |
| Review of Finance Committee  |  |
| <b>NOVEMBER</b>  |  |
| Salaries Fund  |  |
| Discuss and review HOLLISTER FOR CD final closing date in December |  |
| Final Budget and warrant articles due                              |  |
| Review of Finance Committee  |  |
| Final preparation for staff appreciation breakfasts                |  |
| <b>DECEMBER</b>  |  |
| Final Budget to town hall  |  |

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## Timelines

### Director Budget Planning Calendar

- Discussions with staff, Friends of the Library, and trustees
- Confirmation of pricing from vendors
- Schedule attendance for meetings and public hearings
- Deadlines for:
  - Budget proposal
  - Warrant articles
  - CIP update



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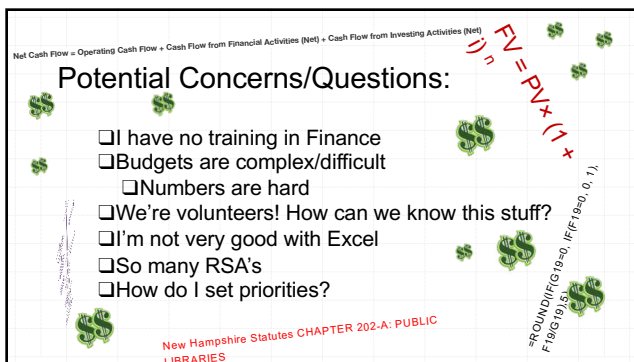
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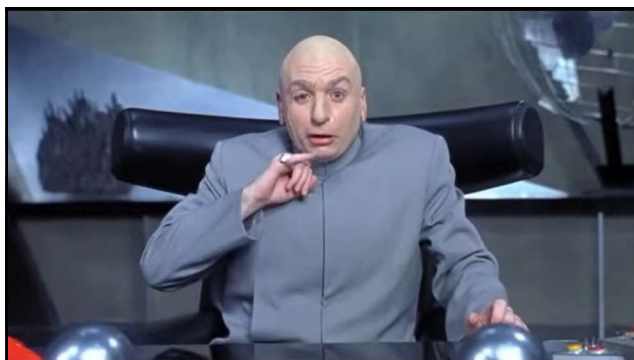
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**Budget**  
[ba-jat]  
An estimation of revenue and expenses over a specified future period of time that is re-evaluated on a periodic basis.

## Quick and Dirty Budget Elements

- ❖ Recognize that labor will likely be 75%-82% of your budget
- ❖ Consider your Library's strategy
- ❖ Do you have contractual or maintenance obligations?

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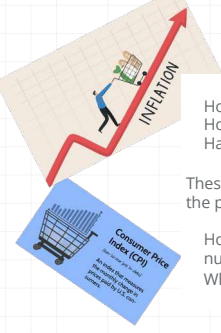
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**INFLATION**

**Consumer Price Index (CPI)**  
A measure of the average change in prices paid by consumers for a basket of goods and services over time.

$FV = PV \times (1 + i)^n$

How do you determine how much money to ask for?  
How do you come to those numbers?  
Have you factored in contracts, CPI, Inflation?

These questions may be useful in helping folks down the problem-solving path:

How do you develop parameters (High/Low) numbers?  
What are extensions and how do they help with this?

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## Where to Start?

It should all start with a Chart of Accounts

A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

Account Name	Type	Detail Type
Income: Appropriation	Income	
Income: Other	Income	
Interest: Checking Account	Interest	
Interest: Other	Interest	
Personnel Expenses: Salaries & Wages	Expenditure	Personnel Expense
Personnel Expenses: Social Security	Expenditure	Personnel Expense
Personnel Expenses: Medicare	Expenditure	Personnel Expense
Personnel Expenses: Benefits	Expenditure	Personnel Expense
Personnel Expenses: NH Retirement	Expenditure	Personnel Expense
Personnel Expenses: Other	Expenditure	Personnel Expense
Personnel Expenses: Payroll Expenses	Expenditure	Personnel Expense
Personnel Expenses: Background Checks	Expenditure	Personnel Expense
Personnel Expenses: Miscellaneous - Other	Expenditure	Personnel Expense

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**The Chart of Accounts**  
A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

**Your COA should only be as granular as your NEEDS –**

**Primary headings include:**

- Revenue
- Expenses
  - Labor
    - Labor Associated Costs
  - Contracted Expenses
  - Materials
  - Programming
  - Utilities
  - Maintenance
  - Supplies



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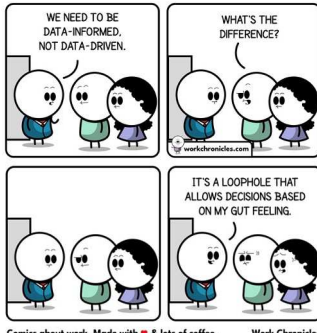
**How do we define NEEDS?**

We start with **DATA**

Turn it into **INFORMATION**

And make **DECISIONS**

**BASED ON THE DATA**



Comics about work. Made with ♥ & lots of coffee. Get the comics straight to your Inbox. Join the Newsletter. WorkChronicles.com

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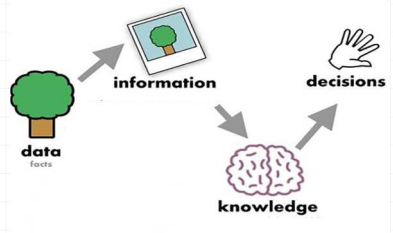
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**The Chart of Accounts**  
A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

**How do I know if I NEED an Account in the COA for a category of Expense?**

Seth Godin:  
"Data is not useful until it becomes information."

What do you want information about?  
**WHY?**



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### The Chart of Accounts

A chart of accounts is a list of financial accounts and reference numbers, grouped into categories

#### Rough Guide:

Fewer than 20 categories in the COA

- May not give you enough detail

More than 60 categories in the COA

- Might be too much detail

Contracted Services: Custodial
Contracted Services: Landscaping/Grounds
Contracted Services: Website Hosting
Contracted Services: Insurance/WC
Contracted Services: Bookkeeping
Contracted Services: Other

Utilities/Facilities: Electricity
Utilities/Facilities: Gas (Heat)
Utilities/Facilities: Telephone/Internet
Utilities/Facilities: Water
Utilities/Facilities: Security
Utilities/Facilities: Equipment/Furniture
Utilities/Facilities: Repairs and Maintenance

The COA allows you to respond to:

- The Select Board
- The Budget Committee
- Yourself!
- Auditors
- Staff

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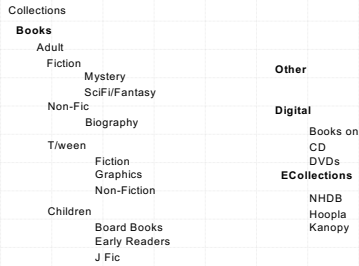
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### Interlude

... Let's create a Chart of Accounts



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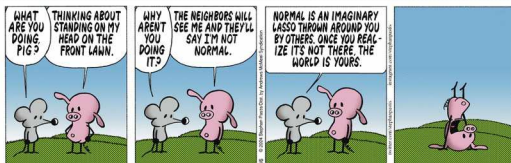
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Don't let yourself get boxed in!



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## Auditors and You



### Auditor

*(to do so)*  
A person authorized to review and verify the accuracy of financial records and ensure that companies comply with tax laws.

While meeting the needs of your community, Select Board, and Budget Committee is important, always bear in mind that you must meet the needs of the State Auditors contracted by your city/town and be able to support all the financial transactions that have occurred over the course of the fiscal year.

This has less to do with budgeting and much more to do with good record keeping. That said, a good Chart of Accounts will lend itself to ease of record keeping and support of transactions in Accounts Receivable and Accounts Payable.

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Let's take a break again and talk about RSAs

What are RSAs (Revised States Annotated)?

The New Hampshire Revised Statutes Annotated forms the codified law of the state subordinate to the New Hampshire State Constitution.

How do these apply to Libraries?

The main body of New Hampshire law relating to Public Libraries is contained in RSA 202-A.

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## So where were we? (Hint: the Chart of Accounts)

How to turn your Chart of Accounts into a Budget template:

When you have determined what accounts you will include in your COA, you'll input them into Excel. It might look similar to this:

Income
Appropriation
Other Income
Other (Interest)
Total Income
Expense
Personnel Expenses
Salaries & Wages
Social Security
Benefits
Net Retirement
Personnel Expenses - Other
Payroll Expenses
Total Personnel Expenses
Materials
Materials - Other
Books
Magazines/Newspapers
NDJG

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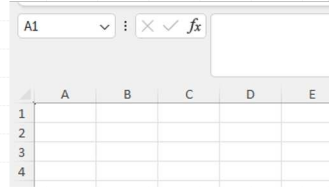
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Ok, so you have a Chart of Accounts.  
What's next?

Woohoo!!

It's time to talk about Excel!



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Ok, so you have a Chart of Accounts.  
What's next?

It's time to build a framework!  
You'll need an Excel Workbook  
With at least 2 worksheets

Sheet 1 equals your budget calculations

Sheet 2 equals your compensation  
calculations

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It will look something like this:

		Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
	Reimbursement	243,132.00	621,700.00	-178,568.00	57.64%
	Other Income				
	Checking Account Interest				
	Other (Interest)				
Total Income		243,132.00	621,700.00	-178,568.00	57.64%
Expense					
	Personnel Expenses				
	Salaries & Wages	110,292.61	226,540.00	-116,247.37	48.69%
	Social Security	7,890.49	17,970.00	-9,679.51	44.91%
	Benefits	14,877.40	65,222.00	-50,344.60	22.73%
	Net Retirement	5,940.54	14,480.00	-8,539.46	41.03%
	Personnel Expenses - Other	1,316.94	1,580.00	-263.06	75.74%
Total Personnel Expenses		140,116.97	325,992.00	-185,243.79	43.07%
	Materials				
	Materials - Other				
	Books	11,724.84	18,440.00	-6,715.16	63.58%
	Magazines/Newspapers	1,119.96	1,800.00	-680.00	62.22%
	Net O&M				

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### What's up with all those numbers?

	Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
Income				
Appropriation	243,132.00	421,700.00	-178,568.00	57.64%
Other Income				
Checking Account Interest				
Other (Interest)				
<b>Total Income</b>	<b>243,132.00</b>	<b>421,700.00</b>	<b>-178,568.00</b>	<b>57.64%</b>
Expense				
Personnel Expenses				
Salaries & Wages	110,722.47	276,540.00	-165,817.53	48.42%
Social Security	7,860.49	17,570.00	-9,709.51	44.91%
Benefits	14,827.85	65,222.00	-50,394.15	22.73%
NH Retirement	5,940.56	14,480.00	-8,539.44	41.03%
Personnel Expenses - Other	1,196.64	1,580.00	-383.36	75.74%
Payroll Expenses	140,148.22	325,392.00	-185,243.78	43.07%
Materials				
Materials - Other	11,724.64	18,440.00	-6,715.36	63.58%
Books	1,119.96	1,800.00	-680.02	62.22%
Magazines/Newspapers				
NH-OD				

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### Even More Numbers!?

	Jan 1 - Aug 18, 2023	Budget	\$ Over Budget	% of Budget	Projected @ 12.31.2023	2024 Budget
<b>Personnel Expenses</b>						
Salaries & Wages	110,722.47	226,540.00	-115,817.53	48.69%	163,863.40	232,571.70 Includes all wages - Please see comp worksheet for detail
Social Security	7,860.49	17,570.00	-9,709.51	44.91%	11,723.01	14,419.45 1.45% of total
Medicare	0.00	0.00	0.00	0.00%	0.00	3,372.29 62% of total
Workers Compensation	0.00	0.00	0.00	0.00%	0.00	0.00
NH SU	0.00	0.00	0.00	0.00%	0.00	0.00
Benefits	14,827.85	65,222.00	-50,394.15	22.73%	22,020.95	32,000.00 Healthcare, Life, STD, LTD
NH Retirement	5,940.56	14,480.00	-8,539.44	41.03%	8,825.97	19,114.16 NHRS - rates set by NHRS
Personnel Expenses - Other	1,196.64	1,580.00	-383.36	75.74%	1,777.87	2,000.00 ADP, Bank Fees (ACH)
<b>Payroll Expenses</b>	<b>140,148.22</b>	<b>325,392.00</b>	<b>-185,243.78</b>	<b>43.07%</b>	<b>191,412.13</b>	
<b>Utilities/Facilities</b>						
Electricity	21,178.62	27,000.00	-5,821.38	78.44%		27,000.00
Gas (Heat)	631.96	1,200.00	-568.04	52.66%		1,200.00
Telephone/Internet	2,827.75	4,118.00	-1,290.25	68.67%	4,201.23	4,200.00 Telephone, Internet connection, static IP
Water	560.91	1,000.00	-439.09	56.09%		1,000.00
Security	0.00	0.00	0.00	0.00%	0.00	1,000.00

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No More Numbers!

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Questions?

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## Capital Improvement Plans

"The best planning tool you aren't using"

-[New Hampshire Municipal Association](#)

Purpose: Plan for large purchases

Benefits:

- Identify and make known future expenses
- Reduce likelihood for tax spikes
- Prevent emergency replacements
- Prepare for grant opportunities



Peterborough Town Library



Madbury Public Library



Gilman Library, Alton



Kearse Public Library



Wolfeboro Public Library

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## Planning for a CIP

How will a plan fit into operations?

- Discussion among library board and director
- Discussion with Town Planner and/or Town CIP Committee

Identify:

- Current inventory requiring future replacements
- Future needs
- Library/Town priorities



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## Creating a CIP

**Include:** Expenditure/Budget Year | Project and Associated Cost | CIP Annual Funding Request and Annual Balance

Indicate Capital Reserve Fund	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Capital Reserve Fund Starting Balance	\$94,268	\$96,768.0	\$41,768.0	\$36,518.0	\$10,018.0	\$17,768.0	\$45,268.0	\$75,268.0	\$105,268.0	\$135,268.0	\$165,268.0
Total to be spent in Year	\$ 37,378	\$17,500.0	\$ 30,000	\$ 40,250	\$ 61,500	\$ 27,250	\$ 2,500	\$ -	\$ -	\$ 100,000	\$ 38,000
Addition to Capital Reserve Fund			\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Year End Balance		\$36,768.0	\$41,768.0	\$36,518.0	\$10,018.0	\$17,768.0	\$45,268.0	\$75,268.0	\$105,268.0	\$135,268.0	\$165,268.0
Revised spending this fiscal year											
LED Lighting install (trustee funds)	\$10,153.0										
Replace roof (25 years)				\$2,500.0		\$2,500.0			\$100,000.0		
Repair roof leaks											
Technology upgrades (every 5-6 years)					\$35,000.0						\$38,000.0
HVAC Systems											
Heat old building (boiler 2000) (32 years)											
Heat new building (boiler 2000) (32 years)											
AC old building (unit and condenser 2023) (15 years)	\$17,000.0	\$17,500.0									

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## Funding for a CIP

- Create reserve fund by warrant article
- Fund it annually by warrant article

### Example: Library Capital Reserve

To see if the Town will vote to raise and appropriate the sum of Thirty-Five Thousand Dollars (\$35,000) to be placed in the Library Building Repairs and Maintenance Capital Reserve Fund.



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## Maintaining a CIP

- Meet with vendors/DPW to determine projected life expectancies
- Determine annual request requirements
- Review plan annually
- Share plan with CIP Committee as part of budget process



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## Memorandum of Understanding

Do I need one?

Benefits:

- Clarifies who is financially responsible for library property and maintenance
- Clarifies scope of work provided by the town for the library property
- Outlines trustees' authority and responsibilities
- Useful during budgeting process
- Promotes consistency during transition periods



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### SERVICES COVERED:

The Town agrees that it will provide the following maintenance services to the Library to the extent these items can be paid for through available funds or performed by staff time within existing staffing levels:

- 1) Heating and cooling system minor repairs
- 2) Plumbing repairs
- 3) Exterior building upkeep, including siding repair, overhangs, oil fill valves, roofing, windows, and painting
- 4) Exterminator services for the building
- 5) Interior spot painting when needed
- 6) Electrical issues
- 7) Replacement of full lighting fixtures and light bulb replacement as needed
- 8) Minor repair of doors
- 9) Landscaping of grounds (excluding gardens), snow removal including walkways, adjacent parking lot, and if necessary, in the judgment of the Public Works Department Director, the roof
- 10) Tree removal
- 11) Trash and recycling removal

The Library agrees that it is responsible for the following maintenance of the Library building and all associated costs:

- 1) Interior cleaning and purchasing of supplies needed
- 2) Moving or adding electrical outlets
- 3) All wiring needed to run library technology
- 4) Installing interior carpeting and other flooring
- 5) Large-scale interior painting projects
- 6) Garden maintenance, irrigation, and planting
- 7) Exterior cleaning, including power washing and window washing

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## MOU How-To

- Determine what is needed from an MOU
- Discuss the opportunity with Town officials and boards
- Review MOU templates (available on [NH-LTA website](#))
- Draft MOU
- Both Library and Town Boards vote to adopt agreement



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## Grant Funding



### When to apply:

- What are needs/priorities
- Do missions align?

### Tracking:

- Determine which account to accept and expend funds from
- Document transactions in monthly and annual financial reports
- Director and Trustee Treasurer work closely to meet deadlines and reporting requirements

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Questions?

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## Contact Us

**BRITTANY DURGIN**



603-476-8895



[director@moultonboroughlibrary.org](mailto:director@moultonboroughlibrary.org)



Moultonborough Public Library

**ADAM SHLAGER**



603-436-8548



[director@weekspubliclibrary.org](mailto:director@weekspubliclibrary.org)



Weeks Public Library

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