

State Grants-in-Aid Guidance Sheet **For Non-Profit Public Libraries – DRAFT** (November 21, 2017)

The 4.5.2 New Mexico Administrative Code (NMAC) governs State Grants-in-Aid to public libraries. To be eligible to receive state aid, New Mexico public libraries must meet eligibility requirements as outlined in the 4.5.2 NMAC. All awarded state grants-in-aid funds must be expended during the fiscal year in which they are awarded.

This informational guidance sheet is for New Mexico's non-profit libraries and is not an exhaustive list of all allowable and non-allowable expenditures. If there are questions as how to expend state aid funds, please contact the Library Development Bureau for clarification prior to making purchases 1-800-340-3890.

Allowable Purchases - State aid funds ***can*** only be used for:

- Library Staff Salaries
 - State aid funds can be used to pay regular library staff for their work within the library. Providing pay to a substitute library staff member may also be allowable.
- Other Operational Expenditures Associated with Delivery of Library Services
 - Expenditures associated with the delivery of library services, such as the library's catalog, programming supplies, electric bills, Internet (patron and staff), phone bills, directional signage, copy paper, library software (online subscription services), reference services, interlibrary loan services, security costs, etc.
 - Contracts directly related to the delivery of basic library services to patrons, including educational program subject matter experts, etc.

Non-Allowable Purchases - State aid funds ***cannot*** be used for:

- Administrative or indirect expenses such as budgeting, accounting, financial management, information systems, data processing, and legal services.
- Library collections (books, DVDs, CDs, etc.), library equipment (computers, copiers, etc.) food, giveaways/incentives, college classes for library staff (i.e., tuition reimbursement), library decorations, library staff furniture, recreational rentals/purchases (e.g., bouncy houses, party supplies, pony rentals), etc.
- Operational expenditures that do not directly relate to the delivery of basic library services to library patrons, including cost of parties, receptions, fund-raising events, other social functions, maintenance/cleaning supplies, toilet paper, paper towels, cleaning equipment, vacuums, etc.
- Capital improvements and construction.