



## State Grants-in-Aid Process

- The [4.5.2 New Mexico Administrative Code](#) (NMAC) governs the state aid program.
- The state aid program is intended to *supplement* and *encourage* local effort in providing local library service. State aid funds are not intended to be a main source of operating income.
- State aid estimations cannot be provided prior to the New Mexico State Library (NMSL) knowing what its upcoming fiscal year's budget is. This usually occurs late Summer.
- State aid grant amounts may vary by year, depending on the amount of the appropriation to the state library by the state legislature and the state library's other budgeted expenses.
- The first step in eligibility for state aid is for a library to be recognized by the New Mexico State Library (NMSL) as either a developing or full public library.
- The [Annual Report](#) serves as the state aid application for both a developing and a full public library and is available online July 1 through mid-August. Information provided in the annual report is used to determine a public library's eligibility for state aid. Once the annual report closes, information reported is reviewed (for all 97 public libraries) to determine eligibility.
- The amount allocated to individual public libraries depends on the number of libraries that meet 4.5.2 NMAC eligibility criteria.
- If a library is not eligible for state aid, a denial letter is sent to the library director. The library director has a choice to appeal the decision. The appeal is made in writing to the state librarian within 10 days of denial notification.
  - The state librarian will respond in writing with a decision within 30 days. The state librarian's decision is the final action on the matter.
- Once the number of eligible libraries is determined, the appropriation is split equally among all eligible libraries and among any eligible branches, with developing libraries' receiving at least a quarter of a share. The Legal Service Area (LSA) population for eligible libraries **is not** used to calculate state grants-in-aid allocations.
  - Full public library = one (1) share
  - Branch public library = one half (.50) of a share
  - Developing public library = at least a quarter (.25) of a share



- A grant agreement packet is sent to the library director via email each Fall. Two (2) copies of the grant agreement must be signed (in **blue** ink) by an authorized agent who has authority to enter into a legal contract with the State of New Mexico and returned to the state library within **60 days** of receipt. If a library does not submit the grant agreement within the required time-period, it forfeits the grant award.
- Once the two (2) fully executed grant agreements are received, a request for payment will be processed.
  - The State Librarian will sign both copies of the grant agreement. One copy will be mailed to the library director. One copy will be kept in the development bureau.
  - Payments arrive via check or electronic fund transfer. State aid is not subject to a reimbursement process.
  - In odd-numbered fiscal years, state aid is disbursed using the *50% Rule*.
- The 4.5.2 NMAC indicates how state aid funds can be spent. There is an *expenditure guidance sheet* on the New Mexico State Library website (under [Funding for Libraries](#)) to assist with applicable expenditures.
  - The library director should provide a copy of the *expenditure guidance sheet* to the financial officer and other related individuals.
  - The *expenditure guidance sheet* is not an exhaustive list. If there are questions, call the development bureau 1-800-340-3890.
- **ALL** state aid funds received must be spent in compliance with the 4.5.2 NMAC before the end of the state fiscal year, **June 30**.
- The Annual Report asks for a breakdown of how state aid funds were spent. There is a simple spreadsheet on the New Mexico State Library website (under [Funding for Libraries](#)) to assist with tracking state aid expenditures.
- See the New Mexico State Library website (under Funding for Libraries → [State Grants-in-Aid](#)) for recognized public library state aid allocations.

