

FY26 HB2 One-Time Rural Library Grant Expenditures Guidance Sheet

The HB2 One-Time Rural Libraries Program Grant is to provide funds to support and expand public library services for New Mexico's rural libraries and is issued in accordance with 4.5.9 and 4.5.10 NMAC. **NOTE:** This grant is **in addition** to the annual Rural Library Program (RLP) Grant.

This guidance sheet is not an exhaustive list of allowable and non-allowable expenditures. If there are questions contact the Library Development Bureau *prior* to making purchases, 1-800-340-3890 / SL.Development@dca.nm.gov

Allowable Purchases – HB2 One-Time RLP grant **can** be used for:

- Library Collections
 - Items traditionally available at the library and intended for public use, such as books, e-books, audiobooks, DVDs, CDs, electronic and digital media, licensed databases (e.g., ancestry.com, mango languages), etc. Non-traditional circulating/educational programming items may also be allowable. Contact the Development Bureau for more information *prior* to making such purchases.
- Library Staff Salaries
 - RLP grant funds can be used to pay regular library staff salaries and benefits for their work within the library. Paying a part-time/substitute library staff member/summer intern may also be allowable.
- Library Staff Professional Development
 - Registration for in-person or online training, travel (including meals & lodging) for attending in-state (e.g., NMLA) *and* out-of-state library conferences (e.g., ALA, MPLA, PLA, ARSL), and trainings/workshops provided to library staff on library related services/issues, which are organized and held at the library, or held at another location, e.g., state library or other library, etc.
- Library Equipment and Furnishings
 - Items associated with meeting the information needs of library patrons such as library furniture, public computers, printers, wireless routers, scanners, software, and related peripherals, etc. RLP grant funds may also be used for staff furniture, computers, software, and related peripherals, etc. necessary to support library operations.
- Other Operational Expenditures Associated with Delivery of Library Services
 - Expenditures associated with the delivery of library services, such as the library's catalog, library programming supplies, utility bills, phone bills, directional signage, office supplies, security costs, contracts directly related to the delivery of library services to patrons, including for rental equipment such as copiers or printers, educational program subject matter experts, etc.
 - Contracts and fees related to library operations such as budget preparation, accounting, financial management, information systems, data processing, legal services, etc.
- Capital Improvements and Construction (**non-profit public libraries, see Note below**)
 - RLP grant funds may be used for capital improvements, repairs, and construction, which are associated with the delivery of basic library services, and which may be funded within the fiscal year (ending June 30) that the RLP Grant is received.
 - **Note:** Per the anti-donation clause in the New Mexico Constitution, non-profit organizations are not allowed to use state grant funds for construction, capital improvements, or the purchase of real property. This restriction applies even if the improvements benefit the public. This is intended to prevent public funds from being used to support private entities.

See page 2 for Non-Allowable Expenditures →

Non-Allowable Purchases – HB2 One-Time RLP grant **cannot** be used for:

- Indirect costs, including but not limited to deducting a percentage of the grant for administrative or grant management expenses or fees, legal services, library staff fringe benefits, etc.
- Library staff bonuses, or similar expenditures.
- Food, giveaways, incentives, or prizes; tuition assistance for individual library staff to attend college courses (i.e., library staff tuition reimbursement); library decorations; library staff furniture; recreational rentals/purchases (e.g., bouncy houses, party supplies, pony rentals); or similar items, etc.
- Any expenditures that do **not** directly support the information needs of library patron's or aren't associated with the delivery of library services and library operations, including but not limited to the cost of parties, receptions, fund-raising events, or other social functions.
- Per the anti-donation clause in the New Mexico Constitution, non-profit organizations *are not allowed* to use state grant funds for construction, capital improvements, or the purchase of real property. This restriction applies even if the improvements benefit the public. This is intended to prevent public funds from being used to support private entities. If you have questions about what qualifies as a capital improvement or whether a proposed expense is allowable, please contact us for clarification.