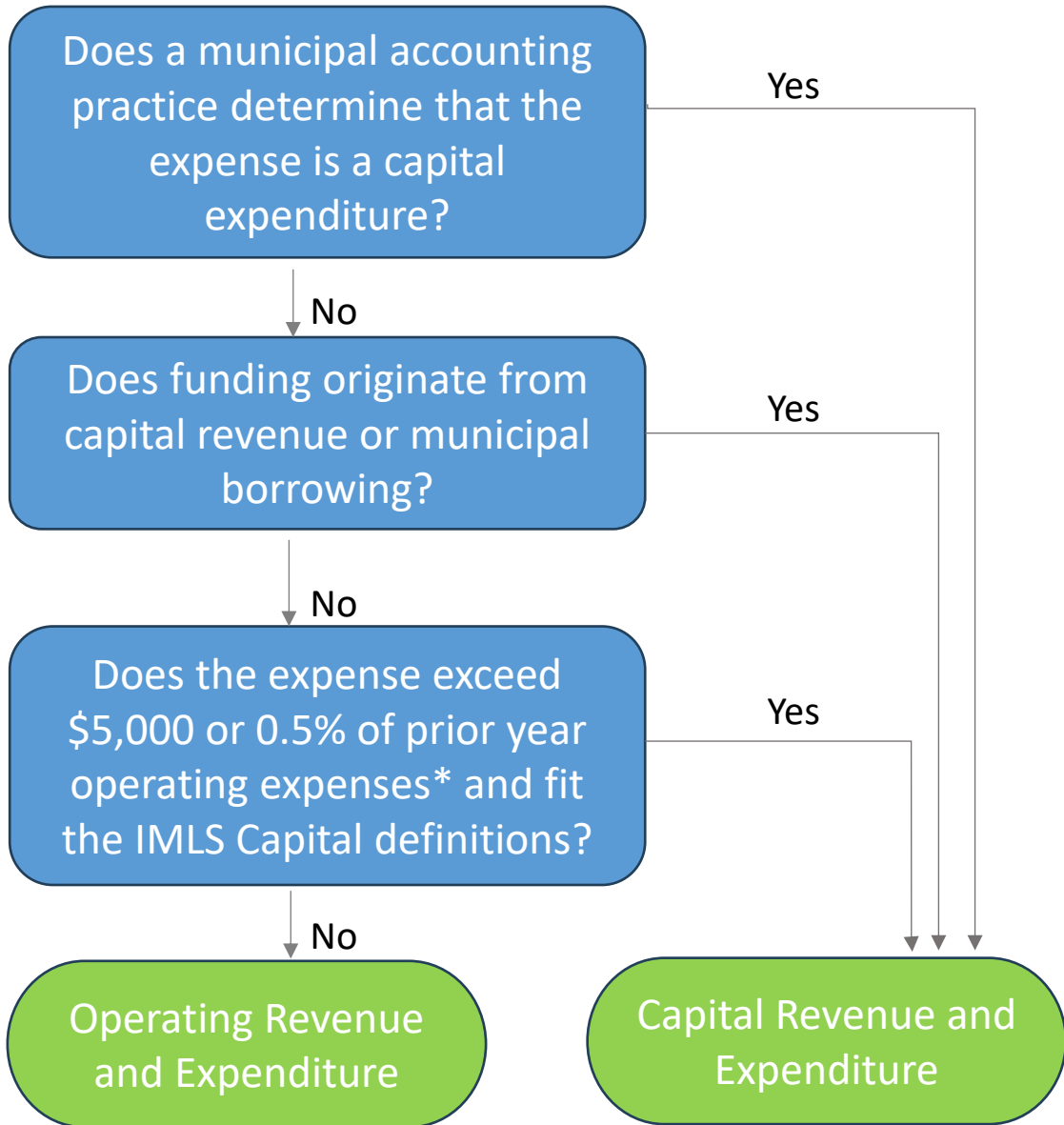


Operational vs. Capital Funds

This tool is a guide to lead discussion. The limits are not absolute.
Milwaukee Public Library has additional requirements to identify Capital Funds.



*Use the lower amount of \$5,000 or 0.5% of prior year operating expenses.

IMLS Capital Definitions

The following paragraphs are definitions from the IMLS Public Libraries Survey.

Capital Revenue: Report all revenue to be used for major capital expenditures, by source of revenue. [...]

Capital Expenditures: Report major capital expenditures (the acquisition of or additions to fixed assets). Examples include expenditures for (a) site acquisitions; (b) new buildings; (c) additions to or renovation of library buildings; (d) furnishings, equipment, and initial book stock for new buildings, building additions, or building renovations; (e) library automation systems; (f) new vehicles; and (g) other one-time major projects. Include federal, state, local, or other revenue used for major capital expenditures. Only funds that are supported by expenditure documents (e.g., invoices, contracts, payroll records, etc.) at the point of disbursement should be included. Estimated costs are not included. Exclude expenditures for replacement and repair of existing furnishings and equipment, regular purchase of library materials, and investments for capital appreciation.

Exclude contributions to endowments, or revenue passed through to another agency (e.g., fines). Funds transferred from one public library to another public library should be reported by only one of the public libraries.

In addition, Wisconsin provides guidance that replacement of existing computers, printers, copiers, and electronic devices is categorized as an operating expense.