

**THE LIBRARY OF VIRGINIA**  
**FY2026 INSTRUCTIONS FOR THE EXPENDITURE OF STATE AID GRANTS**

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**1. GENERAL INFORMATION**

**1.1 Application.** State Aid grant applications must be received at Library Development Division prior to June 1 of each calendar year (*Code of Virginia*, 42.1 – 50).

**1.2 Budget.** First quarter payments of state aid will be released upon the approval of the state aid program by The Library Board. No further payments will be released until a budget for the expenditure of state aid funds has been submitted and approved by The Library of Virginia. The budget form will be sent on or before July 1 and must be submitted to The Library of Virginia no later than August 15 of each year. Approval by The Library of Virginia can be expected by August 15. ***Any deviation from the proposed budget of more than 10% per budget category must be submitted no later than May 15, 2026 (at the end of fiscal year) for approval by The Library of Virginia.***

**1.3 Eligible Costs.** State aid funds may be used for:

**a. Books and Materials.** The definition of books and materials is provided in the *Code of Virginia*, Title 42.1 – 74.1. “Books and other library materials shall include any book, plate, picture, photograph, engraving, painting, drawing, map, newspaper, magazine, pamphlet, broadside, manuscript, document, letter, public record, microform, sound recording, audio-visual materials in any format, magnetic or other tapes, electronic data processing records, artifacts, or other documentary, written, or printed material, regardless of physical form or characteristics . . .” Any materials purchased with state aid must be freely available to patrons.

**b. Salaries.** No more than 25% of the total grant may be used for salaries and benefits of professional full-time, certified MLS librarians. Dollars may not be rounded upward if using the entire 25%.

**c. Internet Access.** Funds may be used for all computer hardware, software, and telecommunications fees that will make library collections and services internet accessible or available to the library’s clientele.

**d. Equipment.** Funds may be used to purchase and lease equipment which is defined as “any tools, be they devices, machines, or vehicles, used to make the books or other library materials (as defined in section 1.3 a above) and services accessible or available to the library’s clientele.” Equipment can include bookmobiles/vans/vehicles that deliver materials and services to the public.

**e. Furniture.** Eligible items include furniture that directly relates to making services accessible or available to the library’s clientele. Examples are computer workstations, study carrels, seating, tables, desks, activity tables, circulation desks, merchandising displays, etc.

**f. Supplies.** Eligible items are supplies that directly relate to making services accessible or available to the library’s clientele. These include processing and programming supplies, office supplies, book repair, laminators, binding, printing, etc. Housekeeping supplies are not eligible items.

**g. Other.** Additionally, staff development fees for professional librarians related to national and in-state conference registration, speakers, and travel for training, and for in-state paraprofessional conference registration, speakers and travel, are eligible costs. These fees must be included in the state aid budget. To receive Fellowships, applications and approvals must comply with established *Policies and Procedures Governing Virginia State Aid Fellowships*. Application forms are available upon request.

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**h. Contractual Services.** Eligible contracts must be directly related to making services accessible or available to the library's clientele and can include planning consultants and studies. Ineligible expenses include basic operating expenses such as service contracts on a facility, rent, and custodial service.

**i. Fellowship.** The local board or governing body of any public library receiving state aid may request to allocate funds from its state aid grant for staff members to attend a graduate library school accredited by the American Library Association. Applicants must submit proof of admittance to an eligible program.

**j. Ineligible Expenses.** Includes postage for the office that is not related to ILL and/or Books-By-Mail service, auditors, membership fees, insurance, utilities, land, buildings and flooring.

**1.4 Expenditure Due Dates.** Funds must be spent by June 30. Funds are considered spent when payment has been issued to the vendor.

**1.5 Quarterly Payments.** State aid will be paid in quarterly installments to libraries. (*Code of Virginia*, 42.1 – 54).

## **2. COMPLIANCE**

**2.1 Procurement.** The library must comply with all provisions of the Virginia Public Procurement Act (*Code of Virginia*, 11-35) and Division of Purchases and Supply Manual and the Prompt Payment Act or more stringent local policies and procedures.

**2.2 Compliance.** The annual state aid application, budget, certified financial statement, and/or audit will be reviewed to verify compliance with the *Requirements Which Must Be Met In Order to Receive Grants-In-Aid*.

**2.3 End-of-Year Balances.** Funds not expended by June 30 as identified in the library's annual audit and certified financial statement will be deducted from the library's grant in aid the following year.

## **3. REPORTING REQUIREMENTS**

**3.1 Budget.** The annual state aid budget must be submitted to the Library Development Division by August 15 unless otherwise specified by Library Development.

**3.2 Certified Financial Statement.** The annual deadline is the same as the Annual Report. Libraries must submit **at least** preliminary data by this deadline. Amended statements may be forwarded at a later date.

**3.3 Audit.** An audit for the previous fiscal year is required from all public libraries. **The audit must report the state aid grant as revenue from the Commonwealth and the actual expenditure of the grant.** The local fiscal director should send a copy of the audit to the Library Development Division at the same time copies are sent to the Virginia Auditor for Public Accounts. Recipients of over \$300,000 in federal funds must file an audit that complies with conditions of the Single Audit Act (P. L. 98 – 502) and the Single Audit Act Amendments of 1996 (P. L. 104 – 156). All required schedules and reports – compliance, internal controls, and schedule of findings and questioned costs must be included.

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**a. Deadlines.** Libraries failing to submit audits in a timely manner will not receive their quarterly installment of state aid until the audit has been received, reviewed for compliance, and approved by The Library of Virginia. Deadline for submission to APA is currently December 15.

**b. Repayment.** If an audit reveals state aid funds have been improperly spent, the library must issue a check payable to The Library of Virginia for the amount improperly spent.

**c. Corrective Action.** The Library of Virginia will review audit corrective action plans to ensure that corrective action is taken in instances of non-compliance.

**3.4 Inventory Records.** An equipment inventory must be conducted every two years, and the report available upon request for the Library of Virginia inspection.

**a. Equipment Inventory.** Local inventory records must be kept for equipment that was purchased with state aid funds, that costs over \$5,000 or more per unit, and has a useful life of over two years. An inventory record listing the description of the item, source, serial number, who holds title, acquisition date, and cost of the item must be kept.

**b. Disposition.** Equipment that has a current fair market value of more than \$5,000 should be disposed of according to the library's locally established surplus property process. If equipment that was purchased with state funds is no longer needed and is in good or usable condition, please report the item(s) to The Library of Virginia for possible reassignment to another library. The disposal must be documented in the library's local inventory system. Income may be retained by the library and used for allowable state aid program activities.