



## Capital Fund Policy

The purpose of the Capital Fund is to provide funding for non-recurring expenditures for repairs and improvements of the building, facilities, and grounds of the Geneva Public Library (“the Library”). Qualifying Capital Fund expenditures occur when there is a purchase or acquisition of an asset that will benefit the Library for an extended period of probable usefulness and meets the minimum item cost guidelines. Disbursements that add to the value or improve the usefulness of an asset also qualify as Capital Fund expenditures.

### 1. Budgeting and Surplus Transfers

In order to ensure adequate capital project funding, the Library’s annual budget may include an allocation for “Reserves for Future Capital Expenses” in fiscal years where there are minimal or no capital expenses planned. The allocation will be communicated in the promotional materials for tax levy increases and the annual budget will be made available to the public in accordance with the Library’s Budget Policy.

End-of-the-year surplus from the Library’s operating funds may be transferred into the Capital Fund at the discretion of the Board of Trustees. However, surpluses may not be budgeted in the Library’s annual budget and the Library must make a good faith effort to avoid surpluses if possible. The Library will report any transfers to the Capital Fund to taxpayers.

### 2. Capital Fund Investment

Funds held in the Capital Fund shall be invested according to the policies outlined in the Library’s Investment Policy.

All Capital Fund expenditures shall be made in accordance with the Library’s Bidding and Procurement Policy.

### 3. Capital Fund Expenditure Selection Process

The Director shall make recommendations to the Finance Committee for possible Capital Fund expenditures. The Finance Committee shall, in turn, make recommendations to the Board of Trustees. The Finance Committee and Board of Trustees shall select capital expenditures based on the long-term benefit of the expenditure and the amount of available Capital Funds.

The Board of Trustees must approve all expenditures from this fund. In the event that guidance or a decision is required in the management of these funds before the Board of Trustees or Finance Committee can meet, the Director will consult the President, Vice-President, Treasurer, and Chair of the Finance Committee to determine what guidance is to be provided for a decision reached.

### 4. Maximum Fund Balance

The balance of funds in the Capital Fund at the end of the Library's fiscal year may not exceed the sum of \$200,000 and any capital expenses itemized either in the following year's budget or in a solicited contractor or architect's estimates for future capital projects, as approved by the Board of Trustees.

Adopted by the Board of Trustees: May 28, 2014

Amended by the Board of Trustees: 9/24/2014, 11/16/2016, 11/29/2017, 12/20/2017, 11/28/2018