



Board Designated Fund Policy

The purpose of the Board Designated Fund is to meet the cash flow needs of the Library in advance of tax funding and provide additional funding, at the discretion of the Board of Trustees, for essential Library expenses not covered by operating income within the fiscal year.

1. Fund Investment

Funds held in the Board Designated Fund shall be invested according to the policies outlined in the Library's Investment Policy.

All Board Designated Fund expenditures shall be subsequent to the Library's Bidding and Procurement Policy.

2. Board Designated Fund Expenditure Selection Process

All transfers from the Board Designated Fund must be brought to the Library's Finance Committee and subsequently approved by the Board of Trustees. 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.

3. Fund Balances

Minimum Balance

In order to ensure adequate cash flow, the Library maintains a balance of funds in the Board Designated Fund to cover at least six months of planned operating expenses. At the end of any fiscal year, the balance in the fund may not be below either the sum of the first six months of all non-capital expenses in the previous fiscal year or the sum total of 50% of all non-capital expenses outlined in the Library's budget for the following fiscal year, unless approved by a majority vote by the Board of Trustees.

Maximum Balance

The balance of funds in the Board Designated Fund at the end of the Library's fiscal year may not exceed the sum total of all non-capital expenses outlined in the Library's budget for the following year, as approved by the Board of Trustees. Any fund overages at the end of the fiscal year shall be transferred to the Capital Fund.

Adopted by the Board of Trustees: December 16, 2015

Amended by the Board of Trustees: 11/16/2016, 11/29/2017, 11/28/2018