

Weedsport Free Library

Reserve Funds Policy

Purpose and Scope

The General purpose of this policy is to provide a clearly defined approach to the utilization of the financial reserves of the Weedsport Free Library that ensures that the library building and its operations will be adequately funded for the present and future and that it will be able to adapt to the changing needs of the community it serves.

Definition of Funds

1) **Building Maintenance Reserve Fund:** Funds designated for the expressed purpose of anticipated as well as unanticipated future expenses that involve major repairs or upgrades that maintain the integrity of the building. This fund usage is generally limited to those expenses of \$5,000 or more.

-Expenditures from this fund that are utilized for its stated purpose need to be approved by the Library Board of Directors by a simple majority vote.

-Any use of this fund other than its stated purpose shall be permitted but will require a 2/3 majority vote of the board for approval.

2) **Capital Improvement Reserve Fund:** Funds designated for the expressed purpose of providing “seed money” for possible future major capital expenditures such as, but not limited to, the purchase of land, the purchase and construction of buildings or structures, the construction of additions or improvements to existing structures, or major technological upgrades.

-Expenditures from the fund that are utilized for its stated purpose require a simple majority vote by the board for approval.

-Any use of the fund other than for its stated purpose shall be allowed but will require a 2/3 majority vote of the board for approval.

3) **Operations Reserves Fund:** Funds designated for the expressed purpose of the supplementing public revenues and other revenue sources to ensure that the operational needs of the library are being met. Examples include, but are not limited to:

-Reduction of operations budget shortfalls

-Payment for minor repairs above budgeted amounts should they occur

-Purchase of equipment, materials, furniture or supplies in excess of budgeted amounts should the need arise.

-Any expenditure from this fund that represents 5% or less of the fund balance at that time requires a simple majority vote by the board for approval.

-Any expenditure from this fund that represents more than 5% of the fund balance at that time requires a 2/3 majority of the board for approval.

Reserve Funds Repository

Reserve Funds will be placed in a separate bank account.