



## **Board Designated Fund Policy**

The purpose of the Board Designated Fund is to meet the cash flow needs of the Geneva Public Library ("the Library") in advance of tax funding and provide additional funding, at the discretion of the Board of Trustees ("the Board"), 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 subject 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. In the event that guidance or a decision is required in the management of these funds before the Board or Finance Committee can meet, the Executive Director will consult the Chair of the Finance Committee and the Board President, and Treasurer to determine what guidance is to be provided for a decision to be reached.

### **3. Fund Balances**

#### **3.1 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, whichever is greater, unless approved by a majority vote by the Board. Board Designated Funds can include amounts held in the form of certificates of deposit.

### **3.2 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. Any fund overages at the end of the fiscal year shall be transferred to the Capital Fund or Operating Reserve 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, 4/24/2024, 4/30/2025

**Reviewed by the Policy Review Committee:** 4/10/2025