

HELEN M. PLUM MEMORIAL PUBLIC LIBRARY DISTRICT

B-15. Fund Balance Policy, Adopted by the Library Board of Trustees, November 10, 2015

A Fund Balance Policy establishes a minimum level at which the projected end-of-year fund balance must observe; as a result of the constraints imposed upon the resources reported by the governmental and proprietary funds. This policy is established to provide financial stability, cash flow for operations, and the assurance that the Helen M. Plum Memorial Public Library District (Library) will be able to respond to emergencies with fiscal strength. More detailed fund balance financial reporting and the increased disclosures will aid the user of the financial statements in understanding the availability of resources.

It is the Library's philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds for future growth.

Definitions

General Fund

The Library has a General Operating Fund which is used to account for administrative, library, and all financial resources, except those accounted for in another fund. The fund balance is made up of money collected from an annual tax levy.

Unrestricted fund balance targets should represent no less than three months and no more than twelve months of operating expenditures. At fiscal year-end, balances are transferred to the Special Reserve Fund through Board resolution.

Assigned Funds

The Library reports assigned fund balances in the Board of Trustees Fund and in the Special Reserve Fund, both major funds. These funds may be used in accordance with the purposes set forth in Ordinance 2015-2016-001. It is the Library's goal to maintain a balance of 33% of the future year's expenditures. If this balance is not maintained, the Library will address this during the following year's budget process.