



POLICY: Oversight of Trustee Funds

Purpose

To establish the guidelines and objectives of the Trustee funds and the circumstances under which these funds may be spent; to establish investment objectives; and to clarify roles and responsibilities for the financial management of the Trustee funds.

Statement of Policy

Any gifts received in the form of stock or securities shall be sold promptly and invested in one of the funds listed below.

Money Market Fund (Settlement Fund)

- This fund holds donations given with the intent of their being spent promptly and for a specific purpose. The principal of the gift is deposited into the money market fund and is spent for the designated purpose in a timely manner.
- The money market fund also serves as the Trustee's checking account, holding transfers to and from the other accounts.

Income Funds

- Income funds hold donations given for a specific purpose with the intent of keeping the principal intact and producing income and growth.
- The minimum donation required for the creation and maintenance of an income fund is \$5,000.
- The Library Treasurer shall annually disperse the income to the library via the town's trust agency accounts.

Growth Fund

- The growth fund holds donations given without specific instructions for use and are invested with the goal of achieving long-term growth.
- The Trustees may use monies in the growth fund for the following purposes:
 - Extraordinary expenditures that will help the library fulfill its mission but are not included in the current operating or capital budgets.
 - The Board's administrative expenses.



Responsibilities and Authority

- Investing: the Treasurer shall oversee the money market, income, and growth funds and shall make decisions about selling and buying assets in the funds in consultation with the President.
- Reporting: the Treasurer shall submit quarterly reports to the Library Board. The Board shall review these reports and assure investment policies are followed. The Treasurer shall also provide annual reports for the Vermont Department of Libraries annual report and provide any other data as requested by the Library Director.
- Authority: Administrative expenses and regular disbursement of restricted funds shall be made by the Treasurer, with notice given to the Board. In the absence of the Treasurer, the President may make such disbursements.
- Expenses of \$1,500 or greater require Board approval.

Sources

Ilsley Public Library "Treatment of Gifts" Policy. Amended on May 6, 2019.

<http://www.ilsleypubliclibrary.org/wp-content/uploads/2019/05/Treatment-of-Gifts-Policy-1.17.2019.pdf>

Definitions

Trustee Funds refers to the funds described above, overseen by the library Trustees.

Operating Budget (also referred to as the "general fund") is the library's forecast of expenses for the fiscal year. This budget is developed by the library director, approved by the library Trustees and town Selectboard, voted on by Middlebury residents as part of the town's overall budget, and administered by the library director. Unspent Operating Budget funds do not roll over into the next fiscal year.

Capital Budget is the library's forecast of capital expenses for the fiscal year. This budget is developed by the library director, approved by the library Trustees and town Selectboard, voted on by Middlebury residents as part of the town's overall budget, and administered by the library director. Capital expenses roll over from one year to the next.

Trust Agency Accounts are accounts that hold library assets but are managed by the town. These are the accounts where income from restricted gifts, grant money, and other small donations are deposited. The money in these accounts is administered by the library director. These accounts roll over from one year to the next.

Adopted by the Ilsley Public Library Board of Trustees on April 13, 2020