

FUND BALANCE POLICY

The Unassigned General Fund Balance may only be assigned by formal action of the Connetquot Public Library Board of Trustees. The assignment of Fund Balance (Designated Funds) gets reviewed shortly after the completion of the annual audit. A summary of the designated funds is provided at each Library Board Meeting as the final page of the monthly Treasurer's Report. Amendments or modifications to all assigned fund balances must be approved by formal action of the Connetquot Public Library Board of Trustees.

The Library's Unassigned General Fund Balance will be maintained as such to provide the library with sufficient working capital and a margin of safety to address emergencies without borrowing. The Library shall strive to maintain a yearly unassigned fund balance of 25% of the projected expenditures for the ensuing year (3 months of the total operating budget).

- Restricted – Fund balance amounts that can be spent only for the specific purposes stipulated by external resource providers, for example, grant funds. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed – Fund balance includes amounts that can be used only for the specific purposes determined by the Library Board of Trustees as the highest level of decision-making authority. Commitments may be changed or lifted only by a two-thirds majority vote by the Library Board of Trustees.
- Assigned – Fund balance comprises amounts intended to be used by the library for specific purposes. Intent can be expressed by the Library Board of Trustees or by an official or body to which the Library Board of Trustees delegates the authority. Assigned fund balance represents the amount that is not restricted or committed.
- Unassigned – Fund balance is the residual classification for the general fund and includes all amounts not contained in the other classification. Unassigned amounts are technically available for any purpose.

When resources are available from multiple classifications, the Library's policy is to spend funds in the following order: restricted, committed, assigned, unassigned.

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