

**Cedarburg Public Library
Policy Manual**

Fund Balance Policy

I. Purpose and Use

This policy is established to ensure the Cedarburg Public Library's financial security through the maintenance of a fiscally responsible fund balance. The Library's primary objective in establishing a minimum fund balance is to maintain a prudent level of financial resources to protect against reducing service levels.

The fund balance is not to be used to offset the City of Cedarburg's responsibility for maintenance of the public library.

The Library Director shall annually prepare a report documenting the status of the fund balance and provide recommendations for the balance to be maintained into the subsequent fiscal year. The report will be presented to the Board of Trustees in conjunction with the development of the annual budget. Should the report disclose that there are unreserved, undesignated funds available, a recommendation for the use of such funds shall be included in the report.

II. Minimum Balance

The Cedarburg Public Library Board of Trustees is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures.

The Board of Trustees has established the minimum fund balance to be \$25,000. In the event that the balance drops below the established minimum level, the Board of Trustees will develop a plan to replenish the fund balance to the established minimum level within two years.

The allocation of amounts from the fund will be determined by the Board of Trustees to be either Assigned or Unassigned.

III. Definitions

Assigned Fund Balance -- The portion of the fund that the Board of Trustees intends to use for a specific purpose. Intent may be determined by the Board or may be delegated to the Library Director.

Unassigned Fund Balance -- The portion of the fund that is available for any purpose. Approval for expenditure is determined by the Board of Trustees. These amounts are reported only in the Library Operating Fund.