

Use of Investment Funds

Purpose: To specify how funds from the library's investments will be made available for use annually.

Definitions: Skaneateles Library investments are those assets invested externally with an outside firm. Operational expenditures and capital expenditures are as defined by pertinent IRS and NYS construction grant guidelines.

Process Summary: Using Calendar Year End (YE) values for the total of funds invested, withdraw 4% of the prior 12 quarter adjusted value of those funds, deposit into a designated reserve account, restricted for operational or capital use by the library until the upcoming (not current) fiscal year.

Timeline and Roles:

January: Treasurer requests value of prior 12 quarter adjusted market value from Investment Manager as those calendar year end values become available.

February:

1. Treasurer calculates 4% amount to be distributed.
2. Finance Committee reviews and approves distribution amount, including Investment Manager as needed.
3. By the end of February, Treasurer initiates transfer of funds into reserve account.

March: Board is informed of distribution amount during monthly Financial Reviews. Reserve account is clearly listed on Financial Statements.

April: At mid-year budget review, during monthly financials' agenda item, any special considerations/anticipations regarding current year revenue/expenditures are noted.

May: Finance committee works with Library Director to consider reserve amount to be used for operations in upcoming year.

June: Library director shares first draft of upcoming year's budget with Finance Committee.

July: Budget draft is finalized.

August: Draft of upcoming year's budget, including major assumptions/considerations, is shared with board for review.

September: Board approves budget for new fiscal year which starts October 1st.

October: Initial receipt of public funding, as well as transfer from investment reserve account occur. Final approved budget, and finalized prior year actuals, are shared with board

Submitted for Consideration: 8/13/2019

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