

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 for the upcoming (not current) fiscal year.

Timeline and Roles: The following outlines the expected timeline of activities. The committee may notify the board of necessary timeline adjustments at any time.

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 amount is tracked by the treasurer and is included in the overall reserve number, as it is invested jointly with reserves from previous years and funds from the levy.

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.

July: Library director shares first draft of upcoming year's budget with Finance Committee. 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. Final approved budget, and finalized prior year actuals, are shared with board.

Approved: 9/10/2019

Amended: 4/9/2024

Next Review: 4/2027