

5.35 ENDOWMENT AND RESTRICTED FUNDS POLICY



Purpose

The purpose of this policy is to establish guidance for the stewardship, oversight, and use of endowed and restricted funds held on behalf of Richland Community Library to support the long-term sustainability, enhancement, and mission of the Library.

The Library recognizes the importance of maintaining donor intent while ensuring responsible financial management of endowed and designated funds.

Administration

The Library maintains certain endowed and non-endowed funds through the Kalamazoo Community Foundation or other approved financial institutions.

The Library Board of Trustees shall oversee the appropriate use of distributions from these funds and ensure expenditures align with donor restrictions and Library priorities.

Existing Funds

Richland Community Library Carole E. Hawk Children Services Fund (Endowed)

This endowed fund shall be used exclusively to support children's services, programs, collections, materials, equipment, or initiatives benefiting youth at the Library.

Richland Community Library Endowment Fund (Endowed)

This endowed fund shall be used for the general support and long-term sustainability of the Library as determined by the Board of Trustees.

Richland Community Library Improvement Fund (Non-Endowed)

This non-endowed money market fund may be used for immediate Library improvements, equipment, furnishings, facilities, or other Board-approved enhancement projects.

Richland Community Library Reserve Fund (Non-Endowed)

This non-endowed income and growth fund shall support long-term Library improvements, strategic initiatives, capital projects, or future organizational goals as determined by the Board.

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Fund Usage

Endowed funds shall be used in accordance with donor intent and the spending policies established by the fund administrator. Principal shall be preserved whenever possible unless otherwise authorized by the governing fund agreement.

Non-endowed funds may be used for purposes consistent with the intent of the fund and with approval of the Board of Trustees.

Distributions from any endowed or restricted fund shall be approved by the Board of Trustees through the annual budget process or separate Board action.

Donor Intent

The Library shall make every reasonable effort to honor donor restrictions and designated purposes associated with endowed or restricted gifts.

If restrictions become impractical, obsolete, or impossible to fulfill, the Board shall work with the administering organization to identify an alternative use consistent with the donor's original charitable intent.

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