

ASSIGNED RESERVES POLICY

The OWWL Library System maintains assigned reserve funds for the purpose of responsible fiscal planning. The Executive Director and Finance Director monitor the balance requirements of Reserve categories and present any necessary revisions to the Board of Trustees at a regularly scheduled Board meeting. Outside counsel from Public Accounting Firm approved by Board of Trustees may be necessary to adequately ensure reserve balances are appropriate.

Assigned Reserve funds may be established by the Board of Trustees with a resolution. A budget amendment and motion by the Board of Trustees is required to move funds from or to the Operating Budget and Reserve Funds.

Computer/Technology Reserve: These funds are established for large technology projects and general emergency replacement, outside the scope of annual budget needs.

Capital Improvement Reserve: These funds are established for large capital projects and general infrastructure replacement such as HVAC/siding/roofing beyond the scope of annual budget needs.

Vehicle Reserve: These funds are established for purchase of vehicles as needed. Vehicles are routinely replaced at 200,000 miles.

Cash-Flow Reserve: These funds are established to ensure a cash flow reserve adequate to cover operating expenses from January (the beginning of our fiscal year) through July. The earliest we can expect our State Aid is August.

Library Advocacy Day Reserve: These funds are donations received to support the System initiatives for Library Advocacy Day. Unexpended funds are held in the reserve for the next year's expenses.

Annual Carryover Reserve: During the year-end closing process, budgeted receipts and expenditures may be outstanding as of December 31st. These outstanding monies are approved for carryover into the next fiscal year's Operating budget.

Categorical Aid Reserve: These funds are established for the carryover of categorical aid that have not been allocated to a specific project or activity.

- 1) Central Library Aid Reserve
- 2) Correctional Aid
- 3) Coordinated Outreach Library Services Aid

Contingency Reserve: These funds are established to financially insulate the System in the event of a significant cut to State Aid or shortfalls to other funding sources.

*Amended: April 13, 2022; October 13, 2021; September 9, 2020; January 13, 2016
Adopted: October 14, 2015*