

Finance Policy 2.11 – TADL Fund Definitions

General Fund – Operations

- Revenue received throughout the year is posted here as well as expenditures for annual operations. Budget identified for use of this fund is approved by the TADL Board of Trustees on an annual basis with occasional budget amendments if required. Finance Policy defines the authority of the Library Director with respect to the budget and this fund.
- To provide protection against unexpected revenue shortfalls as the year progresses, this balance should fall within a range of 12% to 15% over budgeted expenses.

General Fund – Employee Benefit Options Fund (Committed)

- This fund is committed to meeting employee benefit liability incurred through contractual obligations with TADL employees. These liabilities include retirement obligations or leave balances taken at termination of employment.
- This fund may be built from remainder at the end of the year or intentionally budgeted from operations at the beginning of the year.
- Expenditures for meeting employee benefit obligations will be made from this fund by Administration as needed.

Debt Retirement Fund

- This Restricted Fund is used to meet the obligations of the voter approved bonds. Bond payments are made by Administration directly from this fund, as they are due.
- Tax revenues specifically for this obligation are posted directly to this fund.

Public Improvement – Building Fund (Restricted)

- For future use to maintain library facilities throughout the district, these funds are restricted for the purchase of equipment and furnishings or for construction or building improvement.
- Expenses from this fund are restricted by state law to “public Improvement” and available to administration by board authorization upon the recommendation of the Finance Committee.
- This fund is built from charitable contributions or grants or other non-tax revenue sources.

Public Improvement – Technology Fund (Restricted)

- Funds placed here are restricted to the purchase of technology and telecommunications equipment and computer operating and applications software for use throughout the district.
- Expenses from this fund are restricted by state law to “public Improvement” and available to administration by board authorization upon the recommendation of the Finance Committee.
- This fund is built from charitable contributions or grants or other non-tax revenue sources.

Finance Policy 2.11 – TADL Fund Definitions

Public Improvement – YA Area Fund (Restricted)

- Donated fund, restricted by the Board for Refurbishment of the Teen Area.
- Expenses from this fund are restricted by state law to “public Improvement” and available to administration by board authorization upon the recommendation of the Finance Committee.
- This fund is built from charitable contributions or grants or other non-tax revenue sources.

Library Building Construction Fund:

This is a capital projects fund and is used to record receipts and expenditures for the construction of a library building. The life of the fund is limited to the length of time required to complete the construction; any remaining balance is normally transferred to the Debt Service Fund when a bond issue is involved. The money for the operation of this fund is usually supplied by the sale of bonds, special tax levies, grants, transfers from the Public Improvement Fund and/or other restricted contributions.

Committed Endowment

Slear Trust

This fund was established in 1999 with \$80,950.06 by the Slear Trust without restrictions or conditions on its use. In the same year, the TADL Library Board resolved that the principal amount of the fund “shall not be spent and the interest income generated by the Slear Trust principal shall be expended exclusively to support children’s programming throughout the Traverse Area District Library system, until the Board of Trustees resolves otherwise”. The balance identified for this fund at the end of 2009 was \$81,000.

- Expenditures from this fund may be executed by Administration for children’s programming purposes when interest income is generated by the fund.

Unspendable Endowment

Katharine D. Lewis Bequest

This fund was established in 1977 with \$20,000 by Katharine D. Lewis in her last will and testament with the following restriction “The interest on this money is to be used only for the purchase of new books.” The balance identified for this fund at the end of 2009 was \$20,000.

- Expenditures from interest on this fund may be executed by Administration for the purchase of new books when interest income is generated by the fund.

Motion by: Luyt

Support by: Fowle

Adopted: (Y) N

Date: March 17, 2011


Tom Kachadurian, Board Secretary