

ADAMS COUNTY PUBLIC LIBRARY

SECTION 1.411 – GENERAL FUND MINIMUM BALANCE (adopted 9/11/2013)

Introduction

The following policy has been adopted by the Adams County Public Library in order to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions. The policy is created in consideration of unanticipated events that could adversely affect the financial conditions of the Adams County Public Library and jeopardize the continuation of necessary public services.

This policy will ensure that adequate fund balances and reserves are maintained in the General Fund in order to: (a) provide sufficient cash flow for daily financial needs; (b) offset significant economic downturns or revenue shortfalls; (c) provide funds for unforeseen expenditures related to emergencies; and, (d) maintain investment grade bond ratings.

Minimum fund balance for General Fund

The Adams County Public Library will maintain a minimum fund balance of \$600,000.00 in its General Fund, an amount sufficient to provide operating cash flow for a period of approximately six (6) months. The board of trustees shall review annually the amount to be designated for the minimum fund balance, but may also amend the fund balance throughout the year as necessary.

Replenishing deficiencies

When the General Fund balance falls below the minimum established by this policy, the library will replenish shortages/deficiencies by either reducing expenditures or utilizing other sources of funding as soon as reasonably possible. The strategies and time frame to accomplish the replenishment shall be recommended by the fiscal officer and/or the executive director to the board of trustees for review and approval.

Surplus fund balance

When there is a surplus in the unassigned balance of the General Fund, the board of trustees may approve the use of such fund balance surpluses to supplement unforeseen cost increases, to make one-time expenditures that are nonrecurring in nature, or to transfer monies to the Technology, Permanent Improvement, or other funds established by the board of trustees.

Implementation and Review

Upon adoption of this policy, the board of trustees authorizes the fiscal officer to establish any standards and procedures which may be necessary for its implementation. The fiscal officer and/or executive director shall review this policy annually and make recommendations to the board of trustees.