

FUND BALANCE

The general purpose of this policy is to improve Parma Public Library's financial stability by protecting itself against emergencies and economic downturns. The policy is designed to help the Library not only to prepare for a financial emergency but also to ensure the continuity of financial operations.

The money will be held in an account managed by the same guidelines and principles as other Library and Town of Parma monies.

The Fund Balance shall be accounted for separate and apart from the Library's Reserve Fund, Memorial Fund and Operating Fund.

The Parma Public Library Board of Trustees will have the responsibility for ensuring the management of Fund Balance assets in compliance with the laws, rules, and regulations of the State of New York.

Prior approval by the Library Board is required for projects that will use Fund Balance monies.

Approval for use of the Fund Balance by the Library Board is also required at the time the disbursements are made. The procedure for paying bills using Fund Balance monies will be the same as the procedure used to pay bills from the Operating Fund.

The Fund Balance will be used for such projects that the Board deems beneficial to the long-term improvement of the library's physical plant, furniture, fixtures and equipment.

The Fund Balance can also be used to continue the day-to-day operations of the Library should a financial emergency arise.

The Library Board shall require the unrestricted fund balance totaling to be at least the estimated cost of three months of operation, or 25%, of the most current operating budget.

Resources:

<http://www.osc.state.ny.us/localgov/pubs/releases/budfund.htm>

<https://www.osc.state.ny.us/localgov/training/modules/myfp/reserves.htm>