

Poestenkill Library

Policies & Procedures

Endowment Fund

The previously established Endowment Fund of the Poestenkill Library is hereby confirmed as a sum of money set aside and designated for the purpose of providing long-term financial stability to the Library. It is intended that the Endowment Fund will provide an income base not subject to major short-term fluctuations resulting from changes in economic and other conditions which affect the Library's major sources of income. It should thus enable the Board of Trustees of the Poestenkill Library to better plan, enhance and carry out its duties of service to the public in accordance with its Charter from the New York State Board of Regents.

The Endowment Fund may contain sub-accounts set up in accordance with special and specific restrictive conditions requested by donors and agreed to by the Board of Trustees.

Monies currently in the Library account designated "Endowment" are to remain in that account and be subject to the policies below in the same manner as all additional monies added to the Endowment Fund.

Policies and guidelines to be followed for the investment, expenditure and other administrative aspects of this fund are enumerated below.

1. The Endowment Fund is to be permanent and never closed.
2. Monies credited to and placed in the Endowment Fund will include the following:
 - a) All gifts and donations to the Library that are designated as "for endowment;"
 - b) All memorial gifts and donations (e.g., designated as "in memory of" or "in honor of"), at the discretion of the Board of Trustees;
(This provision specifically does not apply to income from fund-raisers such as the Library's traditional "Holiday Lights" fund-raising program when carried out by the Library itself or, as presently, by the Friends of the Library);
 - c) The Board of Trustees may at any time transfer unencumbered surplus Library monies into the Endowment Fund.
3. All monies deposited in the Endowment Fund (including sub-accounts) will remain in it as its principal sum, and will not be spent except as specially permitted in item number 8 below.
4. All interest and other income generated by the Endowment Fund will be applied and spent as follows:
 - a) Income generated in the Endowment Fund by monies in sub-accounts subject to restrictions will be spent in accordance with those conditions associated with the establishment of the sub-accounts;
 - b) At least ten (10) percent of non-restricted income generated will be retained in the Endowment Fund to enable it to grow and maintain its real value during inflationary Periods;
 - c) The remaining ninety (90) percent of the non-restricted income generated may be spent in whatever manner the Trustees decide will, at any particular time, best carry out the work of the Library.

5. Investment of monies of the Endowment Fund will be made by the Library Treasurer only in investment vehicles approved by the Board of Trustees.

6. All gifts and donations deposited in the Endowment Fund must be acknowledged to the donor in writing. The acknowledgment should contain a description of any restrictions, special purpose or designation for usage of the gift (e.g., general endowment or endowment for special purpose). A copy of the acknowledgment letter is to be filed in the permanent Endowment Fund file kept by the Treasurer.

7. Prior to the acceptance of restricted gifts or donations to the Endowment Fund, all conditions, restrictions, and stipulations of any kind associated with the gift must be examined and approved by the Board of Trustees as being consistent with the Library's purposes and policies, and being helpful to it in its work.

8. In the event of unavoidable serious financial emergency situations for the Library, the principal amount of the Endowment Fund may be used under the following conditions:

- a) A vote of 2/3 of the total number of Trustees is required; and
- b) Not more than twenty (20) percent of the principal sum may be used in any one calendar year; and
- c) Money in sub-accounts subject to restrictions will not be used; and
- d) Amounts utilized by the Board of Trustees from the Endowment Fund principal sum will be replaced as a priority budget item as soon as financial conditions permit.

9. Once adopted, amendments of any kind to these Endowment Fund Policies may be made only by the same procedure required to amend the Bylaws of the Library.

Approved by Poestenkill Library Board of Trustees on October 27, 2003

Amended by Poestenkill Library Board of Trustees on November 24, 2008