800-04 — Fund Balance

Statement of Purpose

Fairport Public Library maintains reserves in a Fund Balance to support and ensure its operational viability, service provision, and financial stability.

The Fund Balance can be used for purposes approved by the Board of Trustees, including, but not limited to:

- Provide cash flow for operational needs
- Provide funds for emergency or other unanticipated needs
- Meet employee separation pay-out obligations
- Provide for future capital needs
- Retain donations for future Library Enrichment

Categories of Fund Balance

The Fund Balance will be reported in the following categories:

- *Non-Spendable* – includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact
- *Restricted* – includes amounts that can be spent only for the specific purpose stipulated by external resource providers, or through enabling legislation
- *Committed* – includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Trustees. Amounts can only be moved from the category by formal action of the Board.
- *Assigned* – includes amounts intended to be used by the Library for a specific purpose but do not meet the criteria to be classified as restricted or committed.
- *Unassigned* – includes the residual amount not allocated to other classifications

Maintenance of Assigned Fund Balance for Cash Flow Needs

The Finance Committee shall, as part of its annual budget process, review the amount of Fund Balance needed to meet upcoming cash flow needs, and will make recommendations to the Board of Trustees when changes are needed in this category of reserve.

Memorial and Gift Fund

Periodically, the Library receives private donations that are used at the discretion of the Board of Trustees for various enrichment purchases or activities in support of the Library. These funds will be separately identified and used for library enrichment purposes.

Recommended Amount of Fund Balance

While it is prudent and necessary to maintain adequate reserves in support of the Library's operations and viability, it is not appropriate or intended that excessive amounts of taxpayer moneys be held in reserve. The following categorical needs are to be projected annually in calculating the total amount needed for the Library's Fund Balance.

- Cash Flow Needs
    - Up to 33% of Operating Budget
- Projected Employee Separation Payouts
- Capital Needs
- Library Enrichment

The Finance Committee will perform a Fund Balance analysis annually and make recommendations to the Board of Trustees for needed adjustments.

Adopted: July 13, 2013
Reviewed:
Revised: August 12, 2014; April 13, 2021; July 9, 2024;