



## Capital Fund Policy

The purpose of the capital fund is to provide funding for non-recurring expenditures for the repairs and improvements of the library's building, facilities, and grounds. A qualifying capital fund expenditure occurs when there is a purchase or acquisition of an asset that will benefit the Library for an extended period of probable usefulness and meets the minimum item cost guidelines. Disbursements that add to the value or improve the usefulness of an asset also qualify as capital fund expenditures.

### **Minimum Item Cost**

To qualify as a capital expenditure eligible for funds to be transferred from the Capital Fund, the expenditure must equal or exceed \$10,000 with the exception being regular payments for approved projects already in progress.

### **Surplus Transfers**

End-of-the-year surplus from the Library's operating funds may be transferred into the Capital Fund at the discretion of the Library Board of Trustees. However, surpluses may not be budgeted in the Library's annual budget and the Library must make a good faith effort to avoid surpluses if possible. The Library will report any transfers to the Capital Fund to taxpayers.

### **Capital Fund Investment**

Funds held in the Capital Fund shall be invested according to the policies outlined in the Library's Investment Policy.

All Capital Fund expenditures shall be subsequent to the Library's Bidding and Procurement Policy.

### **Capital Fund Expenditure Selection Process**

The Library's Executive Director shall make recommendations to the Finance Committee for possible Capital Fund expenditures. The Finance Committee shall, in turn, make recommendations to the The Library Board of Trustees. The Finance Committee and Board of

Trustees shall select capital expenditures based on the long term benefit of the expenditure and the amount of available Capital Funds.

All expenditures from this fund must be approved by the Library Board of Trustees. In the event that guidance or a decision is required in the management of these funds before the board of trustees or finance committee can meet, the Executive Director will consult the President, Vice-President, Treasurer, and Chair of the Finance Committee to determine what guidance is to be provided for a decision reached.

---

Adopted by the Board of Trustees May 28, 2014

Amended by the Board of Trustees September 24, 2014