

Frankfort Community Public Library

ENDOWMENT POLICY

Library Board Reviewed & Approved October 10, 2022

The Endowment Fund was established to provide library services and cultural activities above and beyond those provided with tax revenues. Endowment Fund Income is not to be used to reduce tax rates. Money or securities have been donated and are considered restricted gifts whose income must be used as the donors intended. We have solicited the funds on the basis that they were not to replace but to augment tax money to provide library and cultural services.

Funds received for the Endowment that haven't been designated by the donor for one of the major categories will be equally divided between Children's Endowment and FCPL Unrestricted Gift Fund.

FCPL Unrestricted Gift Funds will support adult services, the arts, library staff and facilities.

Each January, the Director will present an endowment budget to the Library Board for the expenditure of the interest on the various endowment funds held by the Library. All claims will be approved by the Board.

The Library Treasurer will attempt to keep the Endowment Fund invested to yield the highest rate of return possible under the State Board of Accounts Guidelines. Interest may be receipted back into the funds from which it was earned. Only interest will be expended except for Trustee Unrestricted Fund.

The Board of Trustees and the Director shall encourage major donors to sign fund agreements if they want to ensure that their wishes are carried out in perpetuity. The restrictions placed in the agreement may not be modified by the unilateral action of the board or director, but can be modified only upon showing to a court that the restrictions render the trust impracticable to implement ("Cy Pres" doctrine).

Expenditures must be reported to the Board in the following month's treasurer's report.