

Fund Balance Policy Peru Public Library

The Board of Trustees maintains a fund balance to provide financial stability, ensuring cash flow for ongoing operations while building monetary reserves for future projects. Also known as, cash reserves; the fund balance is the unreserved, unencumbered and/or unrestricted cash remaining at the completion of a fiscal year.

While there is not a statutory minimum amount for a fund balance, the Board of Trustees strives to maintain six (6) months of library operating expenditures. Funds over the six (6) month maximum may be transferred to the library's Special Reserve Fund through board motion.

Any remaining non-tax revenue, non-restricted and/or non-encumbered funds are moved to the library's Supplemental Services Fund through board motion (i.e.: any unspent donation money).

Monthly, the Library Director monitors revenue, expenditures and cash availability, reporting to the Board of Trustees if projections indicate revenue is below or expenditures are above anticipated amounts. If the unrestricted, unreserved fund balance amount falls below three (3) months, the Library Director and Board of Trustees may take steps to reduce expenditures.

Adopted 12 November 2015
Revised 8 June 2017