



RESERVE FUND POLICY

The purpose of this Reserve Fund Policy is to establish guidelines for the creation, maintenance, and use of reserve funds to ensure the long-term financial stability of Dansville Public Library. Reserve funds provide a means for addressing unexpected financial needs, capital improvements, and future liabilities while promoting fiscal responsibility and transparency.

AUTHORITY AND COMPLIANCE

This policy is established in accordance with New York State laws and guidelines set forth by the Office of the State Comptroller (OSC). The library's Board of Trustees has the authority to establish, fund, and manage reserve accounts in compliance with applicable legal requirements.

TYPES OF RESERVE FUNDS

Dansville Public Library utilizes the following reserve funds as needed:

A. Capital Reserve Fund

- Purpose: To finance future capital improvements, construction, or major equipment purchases.

B. Repair Reserve Fund

- Purpose: To cover significant non-recurring repairs to buildings, facilities, or equipment.

C. USDA Debt Reserve Fund

- Purpose: To meet the USDA Reserve Account requirement in the 2010 Letter of Conditions.

D. Unemployment Reserve Fund

- Purpose: To reimburse the NY State Unemployment Insurance Fund for payments made to claimants.

E. Other Reserve Funds

The Board of Trustees may establish additional reserve funds as necessary to address specific financial needs, provided they comply with New York State laws.

FUNDING AND MAINTENANCE OF RESERVE FUNDS

- The Board of Trustees shall determine the funding level for each reserve fund during the annual budget process.
- Contributions to reserve funds will be made from available surplus, grants, or other legally permitted sources.
- Fund balances shall be reviewed annually to ensure adequacy and compliance with legal and financial requirements.

USE AND EXPENDITURE OF RESERVE FUNDS



- Expenditures from reserve funds require formal Board approval through a motion, resolution, or appropriate action.
- Reserve funds shall not be used for operational expenses unless specifically permitted by law and approved by the Board.

MONITORING AND REPORTING

- The Library Director and Treasurer shall provide the Board with periodic reports on reserve fund balances and transactions.
- An annual report shall be presented to the Board of Trustees detailing fund balances, contributions, and expenditures.

REVIEW AND AMENDMENTS

This policy shall be reviewed biennially by the Board of Trustees. Any amendments require Board approval and must comply with applicable state laws and regulations.

Dansville Public Library Board of Trustees

This policy is based on guidance provided by the New York State Office of the State Comptroller (OSC) regarding the establishment and management of reserve funds.

Adopted 4/14/2025