

Portage Public Library FUND BALANCE POLICY

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I Introduction

- (A) Chapter 43.58 of the Wisconsin State Statutes states the Library Board shall have exclusive control of the expenditure of all moneys collected, donated or appropriated for the library fund.
- (B) Fund balance is defined as the difference between the assets and liabilities of the library fund. Excess funds for any given fiscal year are determined by the following formula: total revenue minus total expenditures.

II Purpose

- (A) The Library Board believes that sound financial management principles require that all public funding received should be expended, providing library service to the community.
- (B) This document outlines the amount of fund balance the Library Board may maintain for financial stability to address shortfalls and unexpected costs.

III Financial Responsibility

- (A) The Board of Trustees will make every reasonable effort to use all funds as budgeted. However, the Library Board will keep a portion of funds carried forward from previous years as a contingency, in response to these unexpected costs.
- (B) The Board will keep a fund balance target of ten percent (10%) of the Library's operating budget. Should the fund balance exceed ten percent (10%) of the operating budget, the Library Board may determine to allocate spending from the Library's fund balance for non-recurring expenditures.

Approved by the Portage Public Library Board of Trustees
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