

Warren-Newport Public Library District

Lake County, Illinois

Board of Trustees

Policy 2020

Expendable Trust Fund

Adopted: February 14, 1995

Reviewed/Revised: January 12, 1999; April 10, 2003*; October 18, 2011; May 20, 2014; March 16, 2017

*April 10, 2003 Policy changed from Endowment Fund to Expendable Trust Fund

ARTICLE 1. STATEMENT OF PURPOSE

The purpose of the Expendable Trust Fund of the Warren Newport Public Library District (WNPLD) is to provide financial support for WNPLD, thus enabling WNPLD to enhance services to patrons.

ARTICLE 2. GOAL AND USE OF FUNDS

Section 2.01 Goal

The goal of the Expendable Trust Fund is to establish and build an asset base to generate earnings that can be used to enhance the services provided through tax support.

Section 2.02 Use of Funds

The monies in the Expendable Trust Fund shall be used primarily for library materials, technology, programming, capital improvements, public information campaigns, and solicitation of additional contributions to the Expendable Trust Fund. The Board of Trustees retains discretion for expenditure of unrestricted contributions to the Expendable Trust Fund.

ARTICLE 3. CONTRIBUTIONS AND GIFTS

Section 3.01 Acceptance and Naming

The Expendable Trust Fund provides an avenue for accepting and organizing gifts and contributions received by WNPLD. Gifts to the Expendable Trust Fund may be made without restriction; gifts may also be designated for specific purposes. Gifts may be retained in the name of a specific individual(s) or placed in the general Expendable Trust Fund.

Section 3.02 Unrestricted Gifts

Absent specific instructions from the donor, all unrestricted contributions of five hundred dollars (\$500.00) or more received by WNPLD will be placed in the Expendable Trust Fund. Unrestricted gifts and/or grants to the Expendable Trust Fund from individuals, foundations, or corporations are encouraged. Gifts may be in the form of cash, securities, real estate, or insurance proceeds.

Section 3.03 Deferred Gifts

Deferred gifts may be in the following forms:

- gifts by will made either through outright bequests or through bequests creating trusts with the income going to the beneficiary (beneficiaries) and the remainder to the Expendable Trust Fund;
- life insurance gifts in the form of a new or existing life insurance policy designating the Expendable Trust Fund as the beneficiary and/or the owner of the policy;
- life income gifts, which are a current transfer of cash and/or securities from which the donor retains the right to annual income.

Section 3.04 Confidential Gifts

At the request of the donor, the nature of the gift and/or the identity of the donor will remain confidential to the extent permitted under relevant local, state, and federal regulations. If no request for confidentiality is made, WNPLD will proudly disclose the identity of its benefactors.

ARTICLE 4. INVESTMENT AND EARNINGS

Investment of the Expendable Trust Fund will be made in accordance with laws governing investment of public funds. Expendable Trust Fund earnings may include both interest income and dividends. Absent specific restrictions on the use of earnings, the Board of Trustees will determine appropriate uses for Expendable Trust Fund earnings.

In the interest of growing this fund as a long-term resource for the future benefit of WNPLD, at the end of each fiscal year, the Board shall reserve a portion of the contributions added to this fund over that fiscal year for future use and capital growth. This portion shall be no less than 25% of the total contributions for that year. Those reserved funds and all prior years' reserved funds shall form the principal of the Expendable Trust Fund.

The principal of the Expendable Trust Fund shall not be used except in extraordinary circumstances and then only after review and approval by the Board of Trustees. In the absence of extraordinary circumstances, any principal of the Expendable Trust Fund that the Board loans to another fund will be repaid.

Specifically named funds and the general Expendable Trust Fund will be invested either separately or on a combined basis in order to take advantage of the best available investment options.

ARTICLE 5. ACCOUNTING AND REPORTING

The Board of Trustees approves expenditures from and restricted donations to the Expendable Trust Fund. Fund balances will be reported to the Board monthly. The Expendable Trust Fund will be included in the annual independent audit of WNPLD. The Expendable Trust fund will operate as an expendable trust fund under current auditing definitions and regulations.