



BOARD OF TRUSTEES

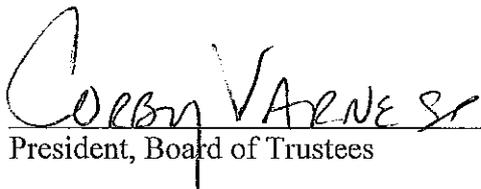
POLICY

TITLE: FUND BALANCE MANAGEMENT		POLICY NUMBER: 019
EFFECTIVE DATE: 1/2013	ORIGINATED BY: BUSINESS OFFICE	SUPERSEDES POLICY NUMBER(S) NEW POLICY
REVIEW DATE: 1/2016	AUTHORIZED BY: BOARD OF TRUSTEES	

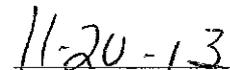
1. Purpose: To provide direction on fund balance management for the orderly and efficient management and control of Timberland Regional Library's (TRL) operations.
2. Scope: This policy applies to financial reporting requirements related to budget review and adoption each year.
3. Definitions:
 - a. General Operating Fund: This fund is used to carry out TRL's normal operation and maintenance activities.
 - b. Building and Site Acquisition and Improvement Fund (Building Fund): This special purpose fund is used to accumulate financial resources restricted to the payment for building, maintaining and/or remodeling of TRL-owned library facilities, and to aid in the design and/or planning of city-owned TRL facilities.
 - c. Automated Circulation Fund: This special purpose fund is used to accumulate financial resources restricted to the payment for purchase and implementation of TRL's automated circulation system; library materials inventory control system, major purchases of computer equipment, and major purchases of telecommunications equipment.
 - d. Unemployment Fund: This special purpose fund is used to accumulate resources restricted to the payment for unemployment compensation benefits coverage in a self-insurance plan administered by the Washington State Department of Labor and Industries.
 - e. Assigned Fund Balance: Amounts TRL intends to use for a specific purpose.
 - f. Unassigned Fund Balance: Amounts available for any purpose; these amounts are available only in the General Operating Fund.

4. Background: Fund balance allocations between the General Operating and special purpose funds are limited to those required to meet accounting requirements and planning needs.
5. Policy:
 - a. It shall be TRL's policy to provide a minimum beginning assigned fund balance of twice the maximum monthly deficit of the preceding year for normal operation and maintenance activities.
 - b. It shall be TRL's policy to accumulate financial resources for potential future uses in the special purpose funds: Building Site Acquisition and Improvement Fund, Automated Circulation Fund, and Unemployment Fund. Consequently the assigned fund balance in each shall have no minimum balance requirement.
 - c. It shall be TRL's policy to transfer the unassigned beginning fund balance to TRL's special purpose funds as part of the annual budget process.
 - d. If General Operating Fund reserves are depleted so that a minimum beginning fund balance is not possible, a plan for restoration shall be developed for the Board of Trustees' approval in order to restore the balance over time. The restoration plan may include such recommendations as expenditure adjustments, fee adjustments, and/or transfers from the special purpose funds into the General Operating Fund as may be appropriate.
6. Citation: GASB 54.
7. Related References: None
8. By the enactment of this policy, the Board of Trustees of the Timberland Regional Library concurrently rescinds any prior policy or procedure within the Library that is either in conflict with or expansive of the matters addressed in this policy.

Adopted by the Timberland Regional Library Board of Trustees on January 23, 2013



President, Board of Trustees



Date