



Fiscal Accountability and Investment of Gift Funds Policy

PURPOSE AND SCOPE

The purposes of the Eager Free Public Library (EFPL) *Fiscal Accountability and Investment of Gift Funds Policy* are to:

1. Provide a framework for the fiscal operations of the Library related to gifts it receives
2. Assure sound fiscal management of gifted funds
3. Outline the actual responsibility for management and distribution of the Library's gift funds

This policy applies to the financial and investment activities of all gift funds under the direction of EFPL. The Wisconsin laws related to Library accountability and investment take precedence except where this Policy is more restrictive.

This policy is in addition to and supplemental to *EFPL's Gift Acceptance Policy* which is stated separately.

GENERAL

EFPL financial policies and procedures are in accordance with requirements and intents as outlined in Wisconsin law.

The current and past seven years' financial records are maintained and kept at EFPL, except in cases when the temporary removal of such records is required by law or by auditing procedures. EFPL will maintain records at least as long as and in accordance with conditions required by Wisconsin law. Older records and duplicates may be stored offsite. The records may be retained in electronic or paper form at the discretion of the Board of Directors.

Roll call vote is taken by the EFPL Board of Trustees on all financial matters. Trustees with economic conflicts of interest abstain from voting, in accordance with Wisconsin's Code of Ethics for Public Officials and Employees as specified in s. 19.42, Wisconsin Statutes.

The total gift budget and the budget of each sub-fund that makes up the total gift budget are managed by the EFPL Board of Trustees or its designees.

DONATIONS

Donations of money, real property, library books or other materials, equipment, or services to EFPL may be accepted when such a gift or its acceptance:

1. Contributes to the achievement of the EFPL mission and priorities.
2. Does not conflict with EFPL policies.
3. Does not impose any restriction on EFPL as a condition of donation, unless such restriction is formally accepted by EFPL Board action.
4. May be used or disposed of at the discretion of EFPL, unless otherwise mutually agreed to by the donor and the EFPL Board at the time of the donation.
5. Does not result in excessive expense, risk of expense, or administrative effort, as determined at the sole discretion of the EFPL Board.

Donations made in accordance with these guidelines may be accepted by the EFPL Director. All donations of significance will be appropriately acknowledged and recognized by letter.

Unless otherwise provided, arrangements for the cost of an appraisal of a donation in the interest of a donor will be the donor's responsibility prior to the conveyance of the donation to EFPL.

DEPOSITS

All gifts and related income received at EFPL are deposited in appropriate accounts at least weekly following appropriate internal control procedures.

Deposits in any one institution may not exceed the FDIC insured amount, without a signed collateralization agreement with the institution and with assets of the agreement to be held by a third party in the name of EFPL.

EXPENDITURES AND OTHER FINANCIAL TRANSACTIONS

A. Authorized signatories are, by title, the EFPL President, Treasurer, and Library Director. The EFPL Board may expand this list of signatories by EFPL Board resolution.

B. Financial transactions involving withdrawals from EFPL gift accounts require a two-step process, one of which must be Board approval at a regularly scheduled Board meeting and the other must be an authorized signature.

C. Contracts for services outside routine operations, such as capital improvements or planning, must be approved by the Board, no matter what the cost. The Board may give the Library

Director approval to negotiate and sign the contract documents as long as the Board has approved the service provider and not-to-exceed amount.

INVESTMENTS

- A. The objective is to invest all idle gift funds under EFPL control in a manner which will provide the highest investment return using authorized instruments without taking excessive risks and minimizing the chances of loss of principle, all with an eye toward meeting the Library's cash flow demands and in conformance with prudent investment practices. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. The EFPL Board of Trustees will select financial institutions and will annually review the selection of depositories. Any financial institution, upon meeting the requirements of this policy, may request to become a depository for EFPL funds. EFPL will take into consideration security, size, location, financial condition, service, fees, competitiveness, and the community relations involvement of the financial institution when choosing depositories. The EFPL Board of Trustees shall authorize investment of funds in such institutions. EFPL gift funds not currently needed for expenses related to the gift accounts shall be invested as permitted by law.
- C. Management and administrative responsibility for the investment program is delegated to the members of the EFPL Board of Trustees, including the EFPL Board Treasurer.
- D. All EFPL investment activities use a "prudent person" standard of care. This standard is applied in the context of managing an overall portfolio and specifies that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. Investment officers, acting in accordance with this Policy and the written procedures of the EFPL, and exercising due diligence, shall be relieved of personal responsibility for a security's credit risk or market price/value changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

GRANT CONTRACTS

- A. The EFPL Director is authorized to sign contracts for receipt of funds for grants that have been awarded by grant sources that have been authorized by a vote of the EFPL Board of Trustees.

PURCHASING/SALE OF GOODS AND SERVICES

All purchases for goods and services for EFPL using gift funds must be authorized by the EFPL Board of Trustees.

NO COMMINGLING GIFT FUNDS WITH OPERATIONAL FUNDS

Gifts are an essential part of meeting the continued and diverse needs of EFPL's patrons. Understanding this, the EFPL gift funds will not be commingled with the funds that are provided by taxpayer funds for the operational support of EFPL. The EFPL gift funds shall remain separate and distinct from any other source of revenue received by EFPL.

Revised and adopted by the Eager Free Public Library Board of Trustees on January 31, 2023.