

# **Portland Library**

**20 Freestone Avenue**

**Portland, CT 06480**

**860-342-6770**

## **Endowment Fund Policy**

### **Introduction/Purpose:**

The Portland Library periodically receives monetary donations either as gifts or bequests, by friends, citizens and/or organizations of the community. These donations, at the request of the donor, become part of the Endowment Fund. These funds will be used for projects that are high priorities for the Library but cannot be funded by the Library's annual operating budget.

The donor may provide certain stipulations regarding the use and acknowledgment of these donations. It is the obligation of the Board of Directors of the Portland Library (the "Board") to insure that these are honored, at least insofar as they are consistent with the library's mission, ordinances of the Town of Portland, and the laws of the State of Connecticut. The Board reserves the right to refuse any donation that does not meet the above criteria.

The purpose of this policy is to establish a regular procedure for receipt, management and disposition of funds or other properties that are received by the library as bequests or other donations.

The general charge to the Board is therefore to manage and otherwise direct the collective resources of the Endowment Fund in such a way that is most consistent with the interests of donors, the library, and relevant governing bodies.

### **Money Management:**

The Endowment Fund shall be self-sustaining. Only the earnings generated from the investment of the Fund may be spent. The principal of the Fund will be maintained in its entirety. The funds shall be invested in such a way as to assure current income as well as long-term growth.

The Town Finance Director, in consultation with the Board, shall have the right to determine the investment policy and management of the Endowment Fund. The funds are to be held in accounts managed by the Town Finance Director. Certified managers recommended by the Board and approved by the Town Finance Director may manage this fund.

### **Responsibilities of the Library Board of Directors:**

- The Board shall accept/acknowledge gifts made to the Endowment Fund
- Maintain a record of all gifts and bequests to the Endowment Fund
- Maintain accurate records of all invested funds, including income and principal.
- The Library Director will report the financial status of the Endowment Fund, including receipts and disbursements and other pertinent information to the Board
- The Board will actively promote the Endowment Fund. Any promotional costs may be paid from the Endowment Fund interest.

- The Board will meet in February of each year to determine how available funds may be used. A report of endowment fund expenditures for each year will be announced and publicized during National Library Week in April.
- Care must be taken to avoid conflicts of interest on the part of the members of the Portland Library Board of Directors and the staff of the Portland Library. Current standards of the Portland Library, Town of Portland and the State of Connecticut shall be followed in all transactions.
- Mistakes made in good faith and in the exercise of due care in connection with the administration of the Endowment Fund shall not be deemed to be a violation of this plan. The Board shall take whatever action is practicable in the circumstances to remedy the mistake.

**Changes, Amendments and Dissolution:**

Any section of this policy may be amended by a two-thirds vote of the Board.

In the event the Portland Library closes at some point in the future the funds of the Portland Library Endowment Fund shall be transferred, at the discretion of the presiding Chairman of the Board, to a Portland library-related organization.

Approved by the Library Board

February 19, 2004

Approved as Amended by the Library Board

May 29, 2008

*Last updated 3/16/2011*