

Investment Operations Policy

In order to ensure long-term financial stability, Peter White Public Library (PWPL) uses several investments and fund-raising mechanisms to build a strong financial portfolio. These include the use of Fund investments, the Peter White Public Library Development Fund, and planned giving.

The Library will maintain both a Finance Committee and Investment Committee. The role and expectations of these committees is outlined in the PWPL Policy GOV – 6 Board of Trustees Bylaws. These committees will meet annually (at a minimum) to review Library investment strategies and ensure that the Library is making sound investment decisions. Committee recommendations will go before the PWPL Board of Trustees for final approval.

This policy will outline the mission and procedures for use of the Carroll Paul Memorial Trust Fund and the PWPL General Trust. It does not directly apply to investment funds held by the PWPL Development Fund. Additionally, this policy does not detail the specifics of investments. Investment details are available in the investment policy documents created by the Investment managers hired by the PWPL Board of Trustees.

Carroll Paul Memorial Trust Fund

Purpose

The Carroll Paul Memorial Trust Fund was established by Helen Longyear Paul in memory of her husband Carroll Paul.

The Trust Documents identify the following as a basis for use of the Carroll Paul Memorial Trust. The:

"Current net income may be used from time to time, at the discretion of the Librarian, subject to the approval of the governing body of the Library, for the improvement of the musical facilities of the Library including, but not limited to, the purchase of musical instruments of any kind, musical recordings and score sheets, books and other literature on music and composers, transcribing, playing and amplifying equipment, radio and television equipment and any other equipment now existing or hereafter developed, designed for the appreciation and enjoyment of music."

"Any income not used as herein provided in sub-paragraph (a) and remaining on hand at the end of each calendar year shall be added to a form a part of the principal of this bequest."

"Any part or all of the principal of this bequest may be used at the discretion of the governing body of the Library at any time for the preservation, repair or replacement of the Library buildings or their contents in the event of an unforeseen emergency situation or disaster, but the governing body shall first make a formal finding which shall be recorded in writing in its minutes, that in their unanimous opinion an unforeseen emergency situation exists or a disaster has occurred which reasonably requires the

expenditure of a stated amount of the principal of this bequest for the proper preservation, repair or replacement of the Library buildings or their contents."

General Fund Trust

Purpose

The General Fund Trust balance may be expended by the Board for the best interest of the Peter White Public Library.

In 1955 the Board of Trustees established the Peter White Public Library Building Fund to be used for the purpose of financing the cost of improvements to the original 1904 building and an addition to the original building. Once the addition was completed in 1958, the Board designated the balance in the fund to be used at the discretion of future Boards for purposes they deemed necessary. Due to this change in designation the Building Fund started to be referred to as the Board's Trust with expenditures from this fund at the discretion of the Board. At some point this fund was incorporated into the PWPL general fund as an asset on the Library Balance sheet. With the incorporation of the Board's Trust into the General Fund of the Library the name changed from the Board's Trust to the General Fund Trust.

After reviewing much of the correspondence and legal opinions it is clear that this account was never intended to be an endowment account. Additionally, the types of funds that have been deposited in this account have been from a wide source of activities. Some of the deposits were from operational activities, some from gifts with no designated purpose and other for specific funding needs at the Library. In response to an inquiry from the board on 3-16-1988 to the law offices of Kendricks, Bordeau, Adamini, Keefe, Smith & Girard P.C., Attorney Robert Bordeau was of the opinion that the balance at that time of \$313,765 in The General Fund Trust had no restriction on the type of expenditures the board could make.

Annual Withdrawals

Annual withdrawals from PWPL held investment funds shall not exceed 4% of the principal market value of those funds. The calculations for determining the withdrawal amount shall be based on the average market value as of June 30 for current year and the previous four years. However, in the event of significant economic downturns or extenuating circumstances the withdrawal amount may be deemed insufficient to meet the Library's budgetary needs. In that case, the Board of Trustees may recommend a higher withdrawal amount that shall not exceed 4% of the current principal market value.

The annual withdrawal amounts shall be calculated by the Financial Director of the Peter White Public Library in preparation for subsequent fiscal year Library operating budget. The withdrawal amounts will be reviewed by the Library Board of Trustees at the annual budget work session. Final withdrawals will be approved as a part of the Library's Operating Budget.

Budget and tracking expenditures

Carroll Paul Memorial Trust Fund

A separate annual budget will be created for the Carroll Paul Memorial Trust Fund. This budget will show both expenses and revenues and will be submitted to the Board of Trustees following the same timing of the operating budget schedule. The Finance Director will provide the investment manager with notice of the projected withdrawals and timing of withdrawals for the subsequent year by October 1.

Disbursements will be scheduled to take place quarterly. The disbursement from the Carroll Paul Trust Fund will be shown as a separate revenue line in the Library's operating budget. Expenditures will likewise be shown in the Library's operating budget.

General Fund Trust

A separate budget will not be created for the General Fund Trust. Disbursements and transfers are tracked and reported as a part of the regular operating budget but will not be shown as separate revenue or expense lines.

Future Trusts held by PWPL

Any large donations or bequests left to the Peter White Public Library will be reviewed by Finance Committee and decisions about how these funds will be used will be recommended to the Library Board of Trustees. Whenever possible, significant donations to Peter White Public Library will be received by the Peter White Public Library Development Fund for investment.

Peter White Public Library Board of Trustees

Approved: August 8, 2023

Updated: