



## FUND BALANCE POLICY

The OWWL Library System operates on a January – December fiscal year. Since the majority of the Library System’s funding is received from New York State Aid per State Education Law between August and December, it is necessary for the Library System to establish a fund balance to carry operations through the third quarter (July-September) of our fiscal year.

The OWWL Library System shall have a fund balance adequate to meet operating expenses incurred prior to receipt of State Aid on or about August 31.

Should the Library System not have the required fund balance to finance operations, the Board of Trustees shall be alerted and/or an emergency meeting of the Board be called, at which time the following steps may be taken to maintain said operations:

- Defer spending
- Consider any of the following options, depending on prevailing conditions:
  - The Board of Trustees authorizes use of Assigned Reserves to offset cash flow on a temporary basis. Assigned Reserves are replenished upon receipt of State Aid.
  - The Board of Trustees authorizes the Executive Director to secure a Revenue Anticipation Note sufficient to meet the operational needs of the Library System in advance of State Aid receipt.

Any of the above activities shall be reported by the Executive Director to the Board of Trustees, in writing, at the next Board of Trustees meeting. The Executive Director shall maintain a record of the activity and, once any necessary reimbursement is made, notify the Board of Trustees.

*Reviewed: March 8, 2023; September 9, 2020  
Adopted: June 10, 2015*