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Maryville Public Library Policy

Section B: EXECUTIVE BOARD BYLAWS,
ADMINISTRATION

Subject 500.3: Capital Projects and Reserves Funds
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Capital Projects and Reserves Funds

Maryville Public Library strives to steward public funds and gifts in a way that balances regular library operating expenses with capital improvements and facility maintenance needs.

UNRESTRICTED RESERVES

The library's unrestricted reserves balance is the combined residual cash bank balances within the Library's two Operating Fund Accounts* that are not reserved for the current year's operating budget, and that are outside of Restricted Funds such as Friends Fund and Memorials/Restricted Gifts. In line with common governmental standards, the library intends to maintain a defined amount of unrestricted cash balance to cover the gap between the beginning of the fiscal year and the receipt of tax income, and also for unexpected or emergency expenditures that could otherwise interrupt the provision of library services to the public. The target range of this portion of fund balance is between 30% and 40% of the prior year's regular operating expenditures.

CAPITAL PROJECTS FUND

The purpose of the Capital Projects Fund is to account for current and future major capital and facility maintenance projects outside of those covered by the library's annual operating budget allocations for Capital Outlay and Building Maintenance. The Capital Projects Fund will be held in a separate interest-bearing bank account to be reconciled monthly, with transactions and balances made available to trustees during regular monthly public meetings.

Each October after the close of the subsequent fiscal year, the board may consider a transfer from Unrestricted Reserves to the Capital Projects Fund to designate any unrestricted reserves in excess of the 30% minimum balance, toward upcoming and future capital projects. The transaction will show in monthly statements of operating expenditures as a "Transfer to the Capital Reserve".

Expenditures and transfers out of Capital Projects Fund may be made by the Library Director or Board President with board approval. In the event that guidance or a decision is required in the management of these funds before the Board can meet, the Director will consult the Board President, Vice President, and Treasurer to

determine action. The transaction will be presented to the full board at the next regular scheduled meeting. Checks drawing from the Capital Projects Fund shall be signed by any two of the Board President, Vice President, Treasurer, and Library Director.

Qualifying Capital Expenditures should meet the following criteria:

- Be tied directly to the repair and improvement of the building, grounds, [furnishings](#), or equipment used by Maryville Public Library, or the acquisition of an asset that will benefit the Library for an extended period of probable usefulness.
- Meet minimum item cost for Capitalization and the bidding/procurement guidelines, both addressed in MPL Policy B:500 *Budget & Financial Procedures*.

[SEPARATION AND SPENDING OF DONATIONS AND LONG-TERM GRANTS: The Library may seek supplementary funding for capital improvements and facility maintenance from other sources such as special fundraising efforts and grants. Income related to those fundraising efforts and grants that may not be spent out within the fiscal year shall be deposited into the Library's Restricted Gifts Fund where those deposits and expenditures can be tracked separately.](#)

[The Library shall strive to first use available grants and cash gifts to make expenditures for capital improvements and building maintenance, including those that may not meet the minimum item cost for capitalization as defined in the Library's Budget & Financial Procedures. Payments from the Memorial/Restricted Gifts Fund may be made by either the Library Director or Board President.](#)

** The Library Operating Fund is held in two interest-bearing checking accounts held at Nodaway Valley Bank in Maryville. One account serves to receive real and personal property tax deposits in accordance with the library's current levy. The other serves as a checking account out of which to pay the library's main operating expenditures including payroll, utilities, book purchases, and other expenses. At least once monthly, a transfer is made by the Director from the larger account to the checking account to cover monthly operating expenses.*