

LIVINGSTON MANOR–ROSCOE LIBRARY

Board of Trustees Resolution Establishment of Operating and Capital Reserve Funds

Date: April 8, 2026

Whereas

The Livingston Manor–Roscoe Library (the “Library”) seeks to establish and maintain reserve funds as a matter of sound financial management and nonprofit best practice; and

The Library has established reserve accounts at the Community Foundation of Orange, Sullivan and Rockland and at Jeff Bank;

Now, Therefore, Be It Resolved

Operating Reserve Fund

Resolved, that the reserve fund held at the Community Foundation of Orange, Sullivan and Rockland shall serve as the Library’s **Operating Reserve Fund**, to be used for general operating purposes, including revenue shortfalls, unanticipated expenses, or other financial needs, **subject to prior approval by the Board of Trustees**.

Further Resolved, that the target balance for the Operating Reserve Fund shall be an amount equal to approximately **three (3) months of average operating expenses**, based on the prior fiscal year’s actual expenditures.

Further Resolved, that the Library shall make contributions to the Operating Reserve Fund from:

- Annual operating surpluses, if any, following year-end reconciliation of the Library’s operating accounts (excluding Manor Ink); and
- Undesignated bequests, unless otherwise directed by the Board of Trustees; until such time as the target balance is achieved and thereafter as deemed appropriate by the Board.

Further Resolved, that if the Operating Reserve Fund balance falls below the equivalent of **one (1) month of operating expenses**, the Board shall prioritize replenishment of the fund as part of its annual budgeting process.

Capital Reserve Fund

Resolved, that the capital reserve account held at Jeff Bank shall serve as the Library's **Capital Reserve Fund**, to be used for major capital expenditures, including but not limited to equipment replacement, facility maintenance, renovations, and improvements to either branch, **subject to prior approval by the Board of Trustees**.

Further Resolved, that the Capital Reserve Fund may:

- Supplement amounts budgeted annually for capital needs; and
- Be used to satisfy matching fund requirements for grants or other capital funding opportunities.

Further Resolved, that expenditures from the Capital Reserve Fund shall be consistent with the Library's capital planning priorities as periodically reviewed and approved by the Board of Trustees and as written in the Library's Long-Range Plan.

Further Resolved, that the target balance for the Capital Reserve Fund shall be \$20,000, adjusted annually for inflation.

Further Resolved, that the Library shall contribute to the Capital Reserve Fund through a dedicated line item in the annual operating budget starting with \$5,000 for the 2027 budget year.

Oversight and Review

Resolved, that all withdrawals from either reserve fund shall be:

- Approved in advance by the Board of Trustees; and
- Documented in the official minutes of the Board.

Further Resolved, that the Board of Trustees shall review the status, adequacy, and use of both reserve funds **at least annually** as part of its budget approval and financial oversight responsibilities.

Further Resolved, that funds held at the Community Foundation shall be managed in accordance with the Foundation's applicable investment policies, with oversight by the Board of Trustees.

Certification

The foregoing resolution was duly adopted by the Board of Trustees of the Livingston Manor–Roscoe Library at a meeting held on the date first written above.

Board President

Secretary