

### **Assigned Reserves Policy**

The Newark Public Library maintains the savings account as the assigned reserve funds for the purpose of responsible fiscal planning. The Board of Trustees establishes assigned reserve funds with a resolution. A budget amendment and motion are required to move funds from or to the Operating Budget and Reserve Funds.

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#### **Cash Flow Reserve**

These funds are established to ensure cash flow reserves adequate to cover operating expenses from July (the beginning of the fiscal year) through October (receipt of School District tax support). This reserve will be reviewed annually.

#### **Staff Unused Sick Time Reserve**

These funds are established for the payment of 10% of unused sick time upon voluntary termination of a staff member's employment as outlined in the library's Personnel Policy. This reserve will be reviewed quarterly.

#### **Health Insurance Reserve**

These funds are established to cover the cost of the library's contribution to staff health insurance coverage as outlined in the Personnel Policy and determined by the library board for mid-year staff enrollment due to a significant "life event".

#### **Computer/Technology/Equipment Reserve**

These funds are established to cover the costs of general library material maintenance, replacement and upgrades such as technology, furniture objects, equipment that can be capitalized and meet all the following conditions:

1. Total cost exceeds \$200.00
2. Useful life is extended two or more years, and
3. Total cost will be greater than the current book value and less than the fair market value.

#### **Capital Improvement Reserve**

These funds are established for large construction projects and general infrastructure replacement such as HVAC/roofing beyond the scope of annual budget needs.

*Adopted by the Newark Public Library Board of Trustees September 16, 2019*

*Amended: 6/8/2023, 6/13/2024*