



INVESTMENT POLICY

Adopted 10/14/1987

Amended 3/14/2001; 9/10/2003; 01/11/2017; 4/11/2018; 12/12/2018

The Jefferson County Library District Board of Trustees shall implement and maintain sound financial management of the entrusted resources provided by the taxpayers and other sources of funding, consistent with the Library's mission.

In accordance with state law, RCW 27.12.070, the Jefferson County Office of the Treasurer serves as the Library's fiscal agent.

Investment of Reserve Account Funds

The Library maintains long-term budget sustainability based on projected expenditure commitments and compensation practices that are consistent with long-term revenue projections.

The Board shall make all investment decisions. Reserve funds may be held jointly in both liquid accounts (such as cash or the State Local Government Investment Pool) and investment accounts (such as Certificates of Deposit or other opportunities made available by the Jefferson County Office of the Treasurer).

For the purposes of managing the Library's finances, reserve funds may be transferred between library reserves and/or operating accounts by the Board of Trustees at any time.

Reserve Accounts

The Jefferson County Library maintains a number of Reserve Accounts. These accounts are designated or restricted as to use by the JCL Board.

The Library will maintain the following Reserve Accounts:

Operations/Cash Reserve – In accordance with sound financial practice, the Board will maintain an Operations/Cash Reserve for unforeseen expenditures. Some of these funds may be used to pay for operating expenses prior to the collection of property taxes. A minimum of two months' operating expenses will be kept liquid, in cash, to assure continuity of payments in the event of a delay between Library and fiscal agent systems. This cash minimum balance is adjusted annually.

Capital Reserve – The Capital Reserve fund is divided into separate accounts to build up reserves for expenditures such as replacement of library vehicles, enhancement and upgrading of library technology, and library building and development needs.

Building Needs and/or Improvements Fund - For required building needs and upgrades and to cover emergency building needs. A portion of this fund may be designated for art with board approval.

Operating Emergency Fund - For unforeseen fiscal emergencies as declared by the Board, including events such as widespread tax default, natural catastrophe, or civil disruption.

Sewer Build-Out/Septic Fund - Savings to cover future sewer build out or septic needs.

Shortfall Reserve Fund - To cover possible revenue shortfalls.

Special Operating Reserve Fund – A holding account for funds set aside to augment annual revenues in deficit budget years, when operations and maintenance costs exceed expected revenues.

Technology Fund – For significant planned or unplanned technology needs or projects.

Vehicle Contingency Fund - For replacement and emergency repairs on library vehicles.

Unemployment Reserve - The Library District maintains an unemployment fund to ensure continuity of staff salaries in the event of a layoff or an emergency situation. The minimum fund balance is two months of average salary and benefit expenses based on the prior year's expenditures. The fund balance is adjusted annually.

Gift Account – Funds in this account are designated for future building remodel or replacement needs.