

ENDOWMENT POLICY
JEFFERSON COUNTY LIBRARY FOUNDATION

Statement of Purpose

The guidelines in this policy are to be followed in the receipt, investment and distribution of financial gifts, bequests and contributions to the Jefferson County Library Foundation which are designated for or by vote of the Board transferred to the Endowment Fund. The primary objective for the management of these gifts is to provide resources to further the purpose of the Jefferson County Library Foundation, now and in the future. It is the intention of this policy that these gifts be handled with care and prudence.

As used in this statement of policy, endowment funds are funds whose principal is intended to be preserved indefinitely or until the occurrence of a specific event. The guidelines and instructions herein are intended to give flexibility to donors and to the custodian in establishing spending policies and in defining intended uses.

Definition of Terms

Endowment Fund: The total reserve funds which may be invested for the long term benefit of the Jefferson County Library Foundation for those purposes set forth in the by-laws of the Foundation shall be grouped in a common pool known as the Endowment Fund. Funds designated for a very narrow purpose or for near term expenditure shall not be included.

Restricted Funds: Funds which the donor has specified to have invested to the benefit of the Jefferson County Library with only the income available for current use.

Unrestricted Funds: Funds which the donor has made no specification of use restriction.

Designated Funds: Funds which the donor has specified to be applied for a particular purpose. Such funds may be either restricted or unrestricted.

Value of the Fund: The total net assets of the fund as periodically reported by the Board.

Total Return: The summation of annual appreciation of the fund from interest, dividends and capital gains.

Income: The earnings received from a direct gift, to include the interest, dividends, and net appreciation, realized and unrealized, in the market value of the assets over the "historic dollar value" of the fund. The determination of the Historic Dollar Value made in good faith by the Board is conclusive.

Historic Dollar Value: The aggregate fair value in dollars of an endowment fund at the time it became an endowment fund plus the value of each subsequent donation to the fund at the time that it is made.

Endowment Accounts

A number of accounts may be established within the endowment as defined below:

COLLECTIONS ACCOUNT: Funds in this account (restricted or unrestricted) shall be applied for the enhancement of library collections both electronic and paper.

TECHNOLOGY ACCOUNT: Funds in this account (restricted or unrestricted) shall be applied for the enhancement of library equipment and services.

MISCELLANEOUS ACCOUNTS: Funds in this account shall be a collection of miscellaneous amounts donated for specific purposes of a long term nature which are not applicable to technology or collections as defined in the by-laws of the Library Foundation.

With each endowment account, a portion of the funds may be restricted so that only the income may be expended in the current year, if so designated by the donor. Distribution of the annual income from both restricted and unrestricted funds may be made by the Board of Directors before the end of the tax year of the Jefferson County Library Foundation. Distribution of any portion of the principal of any unrestricted funds shall only be made upon the approval of two-thirds of the Board of Directors.

Gift Acceptance

The Board of Directors shall have the responsibility for the acceptance or rejection of all gifts. Gifts of an enduring nature may be given directly or as bequests, in such forms as wills, charitable remainder trusts, life income agreements, assignment of life insurance, transfers of property (real or personal), memorial gifts, or through other governing documents. Gifts may be in the form of unrestricted or restricted gifts. Real property or personal property in a non-monetary form if accepted by the Board of Directors will generally be sold promptly and the monetary proceeds placed in the Fund directed by the donor or as determined by the Board of Directors.

Those persons who wish to consider establishing a “named” memorial fund in memory of a loved one, to be part of one of the above-named endowment funds, can do so by contributing funds such that the principal balance of the fund at inception is in a minimum amount to be periodically set by the Board of Directors. Additional gifts received after the initial contribution will be added to the balance of the fund. The stipulated minimum amount required at inception is subject to periodic review and adjustment by the Board of Directors.

Fund Management

The Board of Directors are authorized to hold, sell, exchange, rent, lease, transfer, convert, invest, re-invest, and in all other ways to manage and control the assets of the Endowment Fund, including property, stocks, bonds, debentures, mortgage notes, or other securities, as in their judgment and discretion they deem wise, prudent, and consistent with the investment policy for the Endowment Fund. The Board of Directors is authorized to appropriate for expenditure or accumulate so much of the Endowment Fund as the Board of Directors determines is prudent for the uses, benefits, purposes, and duration for which the Endowment Fund is established.

The Board of Directors shall develop approaches to planned giving.

The Board of Directors shall review new gifts and bequests that carry restrictions and determine acceptance or rejection of same. Said gifts shall be categorized in accordance with the donor's designation if any.

The Board of Directors shall establish investment policies.

As part of an annual budgeting process, the Board of Directors shall identify what Endowment Fund income, if any, will be available to be applied for fund purposes in the following year and determine whether any unrestricted principal should be applied for such purposes.

The status of all Endowment Funds will be reported at the Quarterly meetings of the Board of Directors.

The Board of Directors shall not be liable for any losses that may be incurred upon investments of assets of the Endowment Fund except to the extent such losses shall have been caused by bad faith or gross negligence. No Director shall be personally liable as long as said Director acts in good faith and with ordinary prudence. Each Director shall be liable only for her/his own willful misconduct or omissions, and shall not be liable for the acts or omissions of any other Director.

Conflict of Interest Provision

No Director shall engage in any self dealing or transaction with the Endowment Fund in which the Director has a direct or indirect financial interest, and shall at all times refrain from any conduct in which his/her personal interests would conflict with the interest of the Endowment Fund.

Modification

Any amendment to this Endowment Policy that will change, alter or amend the purpose for which the Endowment Fund is established must be adopted by a two-thirds vote of the Board of Directors.

Merger or Dissolution

In the event that the Jefferson County Library Foundation should merge with another not-for-profit corporation, the endowment fund shall pass to the merged corporation.

In the event that the Jefferson County Library Foundation shall dissolve, assets of the Endowment Fund shall become the property of the Jefferson County Library District or its legal successor.

Adopted by the Board of Directors of the corporation on the 12th day of June, 2013.

Vernon Sullivan

President

ATTEST:

Michael Arnhart