

Financial Management Policy
(Board of Trustees Approved: July 2014)

I. Sources of Library Revenue

The Forest Park Public Library receives its revenue from multiple sources, as follows.

A. Property Taxes

These funds are derived from the annual levy, submitted by the Village of Forest Park to the Cook County Clerk under the provisions of 35 ILCS 200/18. The Library has its own taxing identity, and submits its portion of the levy to the Village for inclusion in its comprehensive levy. This action is completed near the end of each calendar year. The Cook County Clerk electronically deposits property tax revenues into the bank account designated for the Library's operating funds.

B. Personal Property Replacement Taxes (PPRT)

The Library receives a proportional share (17.1398% of each disbursement) of the PPRT allocated to the Village of Forest Park, which is received in eight installments each year. Payment is made by check from the Village to the Library.

C. Donations

Individuals, groups, or businesses may donate funds directly to the Library on a tax deductible basis, under the provisions of Section 170(c)(1) of the Internal Revenue Code. They may also donate funds on a tax deductible basis through the Library's account with the Fund for Illinois Libraries, which is recognized under Section 501(c)(3) of the Internal Revenue Code.

D. Grants

These are funds applied for by the Library and paid by corporations, governmental units, foundations, etc. for specific purposes.

E. Desk Income

These are proceeds paid to the Library by patrons in payment of fines, fees and various charges.

F. Interest/Investment Income

Library funds received from the sources named above, and invested in accounts authorized by the Investment of Public Funds Policy, may pay interest or investment income.

G. Bond Issue

Taxpayer-approved bond issues may also provide a source of income for specific capital projects, such as the construction, improvement or renovation of Library facilities.

II. Raising and Expenditure of Library Revenue

The Library's fiscal year begins May 1 and ends April 30. On an annual basis, the Board of Trustees shall approve its appropriation (in March or April, under the provisions of 65 ILCS 5/8-2-9), its levy (in October or November), and its working budget (in March or April). The appropriation determines

the total expenditures that can be made during the fiscal year. The levy determines how much is being requested from the county for property tax revenue for the fiscal year. The working budget is an estimation of the revenues and expenditures for the fiscal year and can be adjusted by the Board as necessary.

All expenditures of Library funds are to be approved by a legal quorum of the Board of Trustees, regardless of the source of the funds that are being spent.

III. Outstanding Checks

- A. When a check is outstanding for more than six (6) months the Treasurer, or his/her designee, shall notify the payee by first class mail that the check was issued and is still outstanding. The letter shall indicate the check number, check date, and the amount of the outstanding check. The payee shall have thirty (30) days to claim the outstanding check.
- B. At least once each year, the Treasurer, or his/her designee, shall prepare a listing of all checks that have been outstanding for more than six (6) months in which notification was sent to the payee and the check was not claimed. Such funds shall be transferred into the Library's unclaimed liability account.
- C. Per state statute, checks dated seven (7) years or older must be sent to the State of Illinois, Unclaimed Property Division. Once a year, the Treasurer shall review the listing of all outstanding checks transferred into the unclaimed liability account to determine which funds shall be sent.
- D. The procedures above implement the intent of 765 ILCS 1025/0.05 et seq., Uniform Disposition of Unclaimed Property Act.

Fund Balance Policy
(Board of Trustees Approved: August 2017)

Minimum Unrestricted Fund Balance Levels

Governmental Funds

General Fund

Purpose – Is a major fund and the general operating fund of the Government. It is used to account for all activities that are accounted for in another fund.

Fund Balance – Unrestricted fund balance targets should represent no more than six months of operating expenditures. Balances above the maximum are transferred to the Special Reserve Fund through Board resolution.

Special Revenue Fund

Purpose - Used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Financing – Special revenue funds are provided by a specific annual property tax levy or other restricted and/or committed revenue source. Financing may also be received from other charges for services, etc.

Fund Balance – Derived from property taxes (or another restricted revenue source); therefore, legally restricted. The portion of fund balance derived from property taxes will be legally restricted. The remaining fund balance amount (restricted and/or committed) will be targeted at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of three months of expenditures not including capital, debt service and transfers.

Special Reserve Fund (Capital, committed)

Purpose - Established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, excluding those types of capital related outflows financed by proprietary funds. Special Reserve monies are solely for the purpose of carrying out the Library's capital projects or for use in emergencies (facility emergencies or extremely delayed tax receipts from Cook County). A plan for use of special reserve funds is established and revised as necessary.

Financing – Debt financing, grants, or interfund transfers are used to finance projects.

Fund Balance – Considered segregated for maintenance, construction and/or development; therefore, considered committed, restricted, or assigned depending on the intended source/use of the funds.

