



## Endowment Policy

Wethersfield Library

*Amended March 27, 2018*

Note that the Gift and Donations Policy, the Short-Term Funds Policy, and the Investment Policy co-exist with, but are separate from this Endowment Policy.

### **I. Definitions**

- a. Endowment: Funds received from a Grantor or per Library Board designation which can be spent at the Library Board discretion in accordance with this policy.
- b. Grantor: A member of the public, a company, or other entity that has donated funds to the Wethersfield Public Library.

### **II. Expenditure Decisions and Permitted Purposes of Spending**

Expenditures of Endowment funds shall be for purposes directed by the Grantor; and to the extent not in conflict with Grantor instructions for the following:

- a. non-recurring expenses;
- b. capital investments in the Library;
- c. start-up programs;
- d. extraordinary expenses;
- e. expenditures to supplement a discretionary budget item

Expenditures shall be proposed by the Library Director, in writing, and shall include a proposal outline, supporting rationale and an evaluation of compliance with Grantor restrictions. This proposal shall first be presented to the Library Finance Committee and then upon their recommendation, forwarded, to the Library Board for approval.

The Library Board shall seek to minimize restrictions on donations into the endowment. It shall be at the discretion of the Library Board to determine whether funds shall be withdrawn annually or preserved for larger proposals that may require more significant sums

### **III. Other Matters**

- a. Endowments assets shall be invested in accordance with the Library Investment Policy.
- b. Endowment assets shall be held in the long term account unless the Grantor or the Grantor's legal counsel requires a segregated account. No segregated account shall be established without the consent of the Library Board.

- c. There will be monthly reporting from the custodial financial institution for all accounts to the Library Director, who will distribute copies to the Library Finance Committee and the Town's Finance Director.

#### **IV. Endowment Assets**

##### **Jane Sjoman Living Trust:**

Jane Sjoman, a Wethersfield resident and long-time supporter of the Wethersfield Library, established a Living Trust which provided for the distribution of assets to the Library. As provided in the Trust, following Ms. Sjoman's death in 2010, the Library received assets in the amount of \$282,045.

The Board accepted the bequest in a Resolution adopted September 28, 2010. The Resolution provided that the gift shall be used as part of the permanent endowment for the Library's adult collection. The Resolution also created the Jane Sjoman Endowment Fund ("Sjoman Fund") which is to be used to carry out the purposes of the gift.

The following procedures will govern the Sjoman Fund.

- (1) The Sjoman Fund shall seek to maintain a minimum balance of \$300,000.
- (2) Any withdrawal from the Sjoman Fund will be determined by the Board annually, at the first meeting following June 30<sup>th</sup>.
- (3) The Library Director will recommend a purpose for any expenditure, consistent with the terms of the bequest.
- (4) The Board will then vote on the amount and purpose of the expenditure.
- (5) Withdrawals will follow procedures outlined in the Library's Investment Policy.

Approved by the Library Board

October 27, 2009

Revised February 22, 2011

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