



Cash Management Framework

- **Checking Account:** Liquid funds. Maintain a balance to pay average expenses up to six months. There is a current low rate of return, but the account is needed for liquidity (quick access to funds). Plan for a ~\$400-500K balance.
- **Savings Account/Money Market:** Focused on liquidity, but with a higher return than checking. Contains six months of operating expenses (to equal a full year of expenses combined with checking). Any remaining general funds will be placed in a short-term investment.
- **Restricted Assets:** Comprised of Belle Deland Trust, Violet Gronlund, McFarland & Staymates Trust. The common purpose of all listed gifts is for the purchase of books. The balance of these assets is currently ~\$125K spread over three separate investments.
 - Plan to combine the three assets into one asset. The benefit is the ability to purchase a higher return investment vehicle.
 - Recommendation to begin using the principal of this fund to reimburse the general fund for a portion of the annual book expenses.
- **Special Reserve:** This fund was established based on excess building revenue from the 1992 library addition. The purpose of this fund will be to maintain the building through capital improvements.
 - There are currently three separate investments in the Special Reserve fund.
- **Unrestricted Funds:** Legacy Fund-These are gifts without restrictions from the donor. Currently, separate investments are maintained for each donor/gift. The proposal is to combine the legacy gifts into a pool. The benefit will be fewer investments, the opportunity for larger investment, and greater returns. ~\$700K balance
 - Plan to combine the current investments and future unrestricted gifts into a Legacy Fund. The Legacy Fund may be comprised of fewer, but larger investments.
 - The legacy fund investments will be spaced out with laddering maturity dates.
 - The purpose of the Legacy Fund is to meet the strategic goals outlined in the library's Strategic Plan.
- **Working Cash:** The library will maintain the working cash balance in its own investment. ~850K balance.