



Mid-Hudson Library System (MHLS) - Capital Fund Policy

I. Background

MHLS owns and operates two buildings on .70 acres.

- A. The MHLS Auditorium, 105 Market Street, is a 3,200 square foot one story brick, masonry and wood building, type 5-a construction, built in 1902. It is used for large and small-group meetings and trainings by MHLS and its member libraries; all meetings and trainings are conducted on its main floor. The main floor includes a stage, a large open meeting hall, handicap-accessible bathrooms and a food/coffee area. The basement is used for storage.
- B. The MHLS Office Building, 103 Market Street, is a 12,720 square foot three-story concrete block building, type 1 construction, built in 1965-66. It is used as administrative headquarters. The main floor includes staff offices, delivery services center, conference room, a food/coffee area, and public restrooms. The second floor includes staff offices, lounge, and restroom. The third floor is used as a work and storage space.
- C. The MHLS Parking Lot is 18,051 square feet with 40 parking spaces. MHLS maintains an entrance/exit to Market Street and an exit drive to Montgomery Street.

II. Philosophy

The establishment and maintenance of a MHLS Board Designated Capital Fund [hereinafter "Capital Fund"] is deemed a high priority by the MHLS Board of Trustees in order to have the capacity to fund facilities and property maintenance, repairs, and improvements. The Capital Fund will enable MHLS to undertake and support strategic planning for activities identified in the Board approved MHLS Capital Plan, as well as, unexpected and/or emergency facilities and/or property costs.

III. Policy

The purpose of this policy is to establish and maintain a Capital Fund, unencumbered and uncommitted, at a level relative to allow MHLS to cover expected and unexpected costs for facilities and property maintenance, repairs, and improvements.

¹ Asbestos abatement projects for the basement were completed in 2014 and 2015.



IV. Definitions

- A. Board Designated Operating Capital Fund – The amount reported in the *Capital Funds – MHLS* section of the MHLS Monthly Financial Report.
- B. MHLS Capital Plan - A long-range plan which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.

V. Strategies and Procedures

- A. The Capital Fund shall be accounted for separate and apart from the Board Designated Operating Reserve Funds, the Board Designated Operating Contingency Funds, and the MHLS Members Capital Fund.
- B. The MHLS Board of Trustees will have the responsibility for ensuring the management of the Capital Fund assets is in compliance with the laws, rules, and regulations of the State of New York.
- C. The Capital Fund goal will be to achieve and annually maintain in reserve an amount to fund the Board approved MHLS Capital Plan.

VI. Sources

Assets for the Capital Fund may come from any MHLS revenues, as determined by the MHLS Board of Trustees, except the MHLS Members Capital Fund.

VII. Uses

The Capital Fund may support:

- A. Activities identified in the Board approved MHLS Capital Plan;
- B. Any MHLS cost the MHLS Board determines appropriate for funding with Capital Funds.

VIII. Governance

Approving the use of Capital Funds will follow the *Procedures for Budget Adjustments* as adopted by the MHLS Board. These procedures include:

- A. Any single budget adjustment to revenue or expense in the amount of more than \$10,000 must be approved by the MHLS Board of Trustees.
- B. Any single budget adjustment to revenue or expense in the amount of \$10,000 or less may be made by the MHLS Executive Director with the consent of the MHLS Finance/Business Office Manager.
- C. All adjustments to the budget will be reflected in the Monthly Financial Report provided to and



approved by the MHLS Board of Trustees.

IX. . Maintenance

- A. The status of the Capital Fund will be calculated at the end of each fiscal year based upon audited financial results.
- B. The MHLS Finance Committee will consider the adequacy of the Capital Fund amount and will recommend to the MHLS Board any changes as deemed necessary.

X. Policy Review

This policy will be reviewed annually by the MHLS Finance Committee or sooner if conditions warrant. The MHLS Facilities Committee will provide the MHLS Finance Committee with an annual report on the MHLS Capital Plan. Any changes thereto will be forwarded by the MHLS Finance Committee to the MHLS Board of Trustees for consideration and approval by the Board.

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