

The Endowment Fund is confirmed to be the monies set aside and designated to provide for the long-term financial stability of the Dundee Library. It is intended that the Endowment Fund will provide funds for unforeseen capital expenses such as furnace replacement, roof replacement or unusual purchases. It should enable the Board of Trustees for the Dundee Library to better plan, enhance and carry out its duties to the public in accordance with its NYS Board of Regents charter.

Monies currently in the Library account and listed as "Investments" are to remain in that account and subject to the policy below, in the same manner as all subsequent monies added to the endowment fund.

Policies and guidelines to be followed for the investment, expenditures, and administrative aspects are as follows:

1. The Endowment Fund is to be permanent and never closed.
2. Monies credited to and placed in the Endowment Fund will include:
 - a. All gifts and donations to the Library that are designated as "for endowment".
 - b. All memorial gifts and donations at the discretion of the Board of Trustees (in honor or in memory of).
3. All monies deposited into the Endowment Fund will remain as principal and will not be spent, unless specifically permitted by item 8 below.
4. All interest and other income generated by the Endowment Fund will be applied and spent as follows:
 - a. At least 25 percent of the income generated will be retained in the Endowment Fund, to enable it to grow and maintain real value in inflationary periods.
 - b. The remaining 75 percent of the income generated may be spent in whatever manner the Trustees decide will best carry out the work of the Library.
5. Investments of the Endowment Fund monies will be made by the Library Treasurer Investment vehicles approved by the Board.
6. All gifts and donations deposited in the Endowment Fund will have a written acknowledgement to the donor. The written acknowledgement will contain a description of any restrictions, special purpose, or designation for usage of the gift. A copy of the acknowledgement letter must be filed in the permanent Endowment Fund file kept by the Treasurer.

7. Prior to the acceptance of the restrictive gifts or donations to the Endowment Fund all specifics, conditions, restrictions, and stipulations, associated with the gift must be examined and approved by the Board of Trustees as being consistent with the Library policies and purposes.

8. In the event of unavoidable serious financial situation for the Library, the principal amount of the Endowment Fund may be used, under the following conditions:

a. A vote of 2/3 of the total number of Trustees is required; and

b. Not more than 20 % of the principal sum may be used in a calendar year.

9. Once adopted, all amendments must be made in accordance with the Library amendments to the Bylaws.