

# M.N. Spear Memorial Library Fiscal Policy On Spending of Trust Fund Income

*"The Massachusetts Board of Library Commissioners acknowledges that many Massachusetts public libraries hold and control trust funds donated to those libraries by grateful individuals and organizations. The Massachusetts Board of Library Commissioners recognizes the well-established principle that library trust funds must not be used to offset municipal budgetary shortfalls and that public libraries in Massachusetts must be supported by public funds allocated through local budgetary processes. Trust funds should be designated for the enhancement and enrichment of library services. These funds are not eligible when calculating compliance with the Municipal Appropriation Requirement under the State Aid program."*

**"[http://mblc.state.ma.us/advisory/trustees/trustees\\_handbooklch08s02.php](http://mblc.state.ma.us/advisory/trustees/trustees_handbooklch08s02.php)"**

1. The Following is a policy relating to the spending of the income of MN Spear Memorial Library Trust Funds as of May 2010.
2. Unless otherwise restricted by future endowments, it is the express purpose of this policy to clarify policy on expenditure of currently held funds and apply this criteria to the income realized from any future endowments received by the MN Spear Memorial Library.
3. The Trustees are under an obligation to review the stipulations and restrictions contained within this policy with the inhabitants of the Town of Shutesbury as required.
4. The income of the Trust Funds will be spent in accordance with the stated purpose of the individual funds.
5. In order to counter inflationary pressures and extraordinary swings in interest rates and to ensure continued growth of the Trust Fund accounts, the spending policy will be based on the following formula: No more than 75% of the average of the previous five fiscal years' income will be spent in any fiscal year. The purpose of this formula is to provide a stable source of expendable income for the benefit of the library while allowing the overall Trust Fund to grow. The goal is an ever-expanding income for future library needs.
6. Unusual and financially significant projects of a large scale nature (such as construction, major acquisitions, or major building repairs) may be funded beyond the limitation imposed on the expendable portion of the Trust Funds by above on a case-by-case basis. It is understood that the expense must have a long-term benefit to future library operations. Furthermore, it is understood that financial contributions from the Town of Shutesbury, the Commonwealth of Massachusetts, and/or from other sources should be a contributing factor in such an endeavor.

Approved on May 12, 2010 by the Library Board of Trustees



Karen Traub, Chair  
Amy Beth  
Michele Regan-Ladd

Michele Sedor  
Gary Hirshfield