

Seaford District Library
Endowment Fund Policy

Section 1: Purpose of Policy

The policy statement establishes responsibilities of the Board of Commissioners of The Seaford District Library with the necessary rules and definitions the Board will use to establish goals, guidelines, measurements, and procedures necessary for achieving the appropriate performance and use of the Endowment Fund.

Within the governing/management process will be the measurement reporting needed to monitor the Funds performance. This data will be made available to the Library Board of Commissioners.

The Library Board of Commissioners, hereinafter referred to as the Library Board, has responsibility for implementing these guidelines.

Section 2: Endowment Fund Defined

The Endowment Fund of The Seaford Library is composed of those donations and bequests and other assets conveyed to the library over time by various individuals and through various instruments, as documented in the files of the library.

Section 3: Ownership and Management

Ownership of the Endowment Fund lies with The Seaford Library. Collectively, the Library Board is responsible for overseeing the proper investment of all fund assets. The Library Board alone holds the power to direct investment and to distribute moneys derived from the generation of income and sale from the investable assets of the fund.

To manage the day to day investment of the Endowment Fund, the Library Board may appoint, from time to time, a fund manager. Such fund manager will be a qualified investment management institution, such as a bank, brokerage firm or community foundation. Section 4: Investment Objective
The investment objective for management of the Endowment Fund is to maximize its long-term rate of return while minimizing the risk loss of capital.

Achieving these goals will require assuming a moderate level of risk, accepting a long-term investment horizon, and diversifying among assets. The fund will be invested to maximize total return (capital appreciation, plus interest and dividend income) consistent with a prudent level of risk.

Section 5: Purpose of the Endowment Fund

The purpose of the endowment fund is to provide funds for projects approved by the Library Board.

Section 6: Funding Of Withdrawals/Distributions

If the endowment fund requires liquidation that action will require a two-thirds (2/3) approval vote of the members of the Library Board.

Section 7: Evaluation and Performance Criteria

Although investment objectives are long term, performance and activities of the fund manager will be evaluated at least annually.

It is the policy of the Library Board to utilize professional management services for the investment of the Endowment Funds. The Board will negotiate investment management contracts, where appropriate, and ensure that investment guidelines “which the managers are to operate” are established, communicated, understood, and followed by the professional manager.

Section 8: Policy Review

The Library Board shall review and re-adopt this policy annually.

The fund manager shall be responsible for reviewing this policy with the Library Board at least annually to ensure that it remains valid and relevant. Any recommendations as to changes should be submitted to the Board, through the Library Director, in writing.

Adopted by the Library Board of Commissioners, October 8, 2013