

### *Management of the Capital Reserve Fund*

The Library Network Board establishes the following policies to be used in the management of the Shared Library System Capital Reserve Fund.

- That a separate and distinct Capital Reserve Fund be established for the primary purpose of paying for improvements to the current shared library system in excess of \$10,000 and/or for the replacement of the system.
- That all expenditures from this Fund be approved by the TLN Board, with consideration of the recommendations from the Shared Automation System Users Group (SASUG).
- That contributions to the Fund be determined by the members of the Shared Automation System Users Group.
- That payments to the Fund be refundable only at the end of the 5 year period (September 2000), based on percentage of contribution to the total Fund and consistent with the recommendations of the Shared Automation System Users Group.
- Interest earned by contributions shall stay with the Fund. That an administrative fee, based on the formula used to assess administrative charges to menu services, be instituted. This administrative fee would include the cost of the annual audit of this Fund.
- That TLN provide all invoicing, accounting and administrative services required by the fund and that a balance sheet will be maintained and reviewed by the TLN Board and provided to the SASUG Executive Committee monthly.
- Investment shall be in keeping with TLN.s Investment Policy. The Chair of the SASUG Executive Committee will receive monthly updates on any investment of the Fund.
- That an annual audit of this Fund be a part of the TLN annual audit. The TLN Board is responsible for reviewing and accepting the audit. The Chair of the SASUG Executive Committee shall receive a copy of the audit which will be available upon request to all SASUG members.
- That there be an annual review of Fund policies, management practices and TLN.s administrative charge to determine whether or not changes are warranted.