



143 Genesee Street ▪ Avon, NY 14414 ▪ (585) 226-8461 ▪ avonfreelibrary.org

Operating Reserve Policy

The Operating Reserve is intended to ensure that the Avon Free Library (“Library”) has adequate savings available to cover operating costs of the Library during unexpected occurrences that impact finances. These contingencies include but are not limited to: emergency repairs, disaster recovery, and bridge funding due to unexpected temporary delays in deposits from grants or regular funding sources.

As part of the annual budget development cycle, the Finance Committee shall identify a dollar amount for the Operating Reserve. This should be not less than 33% of the Library’s annual estimated operating costs and generally should not exceed 50% of the Library’s annual operating costs. This is equivalent to 4-6 months of operating costs. The Operating Reserve will be presented to the Library’s Board of Trustees “(Board”) for approval as part of the annual budget approval process.

Between budget cycles, the Finance Committee may propose adjustments to the Operating Reserve. Any adjustments to the Operating Reserve shall be approved by the Board.

The decision to use Operating Reserves to cover contingencies shall be done through consultation between the Director, Board President, the Treasurer, and the Finance Committee. The Board shall be notified as soon as possible and shall receive regular reports until the annually-designated Operating Reserve is restored.

Adopted by the Library Board: November 25, 2024