

## **171 / General Policies**

### ***Policy Relating to the Villa Park Public Library Endowment Fund as Established with and Administered by the DuPage Community Foundation, a 501(c)(3) Non-Profit Organization***

WHEREAS, the Villa Park Public Library Endowment Fund was established in 2004 to ensure that residents and future residents of Villa Park, Illinois, enjoy high quality library service in an attractive, state of the art facility; and

WHEREAS, the Funds' purpose is to serve as a vehicle for soliciting, receiving and allocating gifts, grants, memorials and bequests of money, to enhance and enrich the programs and facilities of the Villa Park Public Library, an Illinois public library under the Illinois Local Library Act (75 ILCS 5/1-0.1, et seq.), and a tax-exempt organization; and

WHEREAS, the Fund has been established with the DuPage Community Foundation, a publicly-supported community foundation organized exclusively for charitable purposes as provided in Section 501(c)(3) of the Internal Revenue Code and having its principal place of business in Wheaton, Illinois, pursuant to an Agency Agreement dated February 24, 2004, a copy of which is attached hereto and incorporated herein by reference; and

WHEREAS, pursuant to the Agency Agreement, the Foundation shall receive, administer and disburse money deposited with the Foundation by the library in such Fund for the library's use; and

WHEREAS, the initial Fund deposit of \$5,238.47 was transferred and delivered to the Foundation by the library and accepted by the Foundation on February 23, 2004 pursuant to the terms and subject to the conditions set forth in the Agency Agreement; and

WHEREAS, the Agency Agreement provides that the Foundation will hold, manage and administer the initial Fund deposit and any additions thereto directly or through the use of an agency account, custodial account, trust or similar agreement with a corporate fiduciary or investment advisor deemed appropriate by the Foundation; and

WHEREAS, the Agency Agreement provides that additional deposits and contributions from the library, individuals, corporations and other organizations may be added to the Fund; and

WHEREAS, the Agency Agreement provides that the Foundation and the library may provide copies of the Agency Agreement to potential donors to demonstrate the protocol and procedures utilized to administer and disburse the Fund; and

WHEREAS, the Agency Agreement provides that the Foundation may establish and hold donations in a separately designated fund when a donor or donors wish(es) to

donate in a manner which provides for the perpetual preservation of principal for the benefit of the library; when a donor or donors so elect(s), a donation may be made directly to the Foundation for the benefit of the Library Fund; the principal of the separate designated fund will be permanently held by the Foundation for the benefit of the library and income generated from the separate designated fund will be distributed in perpetuity in accordance with the Agency Agreement; and in the event the library dissolves, the separate designated fund will revert to the general charitable purposes of the Foundation; and

WHEREAS, the Agency Agreement provides that the income and principal of the Fund may be commingled with other Foundation assets; the Fund's assets shall be accounted for separately; any earnings accruing to the Fund shall be credited to the account of the Fund; and the Foundation shall provide the library with a quarterly accounting; and

WHEREAS, the Agency Agreement provides that the Foundation will hold and invest the Fund's principal and distribute distributable income therefrom, to the library annually, less the Foundation's usual and customary fees; and

WHEREAS, the Agency Agreement provides that the Foundation's annual administrative fees shall not be more than 1% of the Fund's value; and

WHEREAS, the Agency Agreement provides that if the Foundation dissolves, the Fund will revert to the library, while if the library dissolves, the Fund will continue for the benefit of the organizations identified by the library's Board of Trustees as long as said organization is consistent with the community trust status of the Foundation; and

WHEREAS, the Agency Agreement provides that the Foundation's Board of Trustees has ultimate control over the assets deposited in the Fund, except that the library's Board of Trustees may elect to withdraw any money transferred by the library to the Foundation plus accrued interest, provided that such withdrawal power and the purpose for which the funds may be used are subject to the Foundation ByLaws, a copy of which is attached hereto; and

WHEREAS, the Agency Agreement provides that the library shall provide the Foundation with three months written notice of its intent to withdraw the Fund or withdraw from the Fund; and

WHEREAS, the Agency Agreement provides that the Foundation may return all library assets it holds to the library for any reason; and

WHEREAS, this policy is adopted by the Board of Trustees of the Villa Park Public Library to provide a protocol for accepting or refusing donations, making deposits to the Fund, handling distributions, making withdrawals from the Fund, reporting on Fund accounting, establishing procedures in the event that the Foundation or the library dissolve, and establishing a procedure in the event that the Foundation returns the library's assets absent dissolution.

### ***Donations***

The Board of Library Trustees shall have the power to accept or refuse to accept any monetary bequests, memorials, gifts or grants which are proposed to be made to the library and deposited in the Fund, based upon the discretion and judgment of the Board, taking into consideration the nature of any proposed gift, the conditions or restrictions placed upon any gift and the appropriateness of any gift for the purposes of the library. To this end, any bequest, memorial, gift or grant proposed to be made to the library shall be placed on the Board's next meeting agenda for consideration and final action regarding acceptance or refusal to accept.

### ***Refusal to Accept***

If the Board refuses to accept any monetary bequest, memorial, gift or grant proposed to be made to the library, the proposed donor shall be notified of the refusal to accept and the donation shall be returned, if applicable.

### ***Acceptance / Deposits***

If the Board accepts a monetary bequest, memorial, gift or grant, said monetary bequest, memorial, gift or grant shall be transferred and delivered as soon as practicable to the Foundation for deposit in the library's Fund and the donor shall be notified in writing of acceptance and thanked.

### ***Distributions***

In accordance with the Agency Agreement, the Foundation will annually distribute distributable income from the Fund to the library, and the library has the option of accepting the annual distribution or reinvesting it. The Board shall have the power to accept the annual distribution or reinvest it. To this end, the annual distribution to be made to the library shall be placed on the Board's next meeting agenda for consideration and final action regarding whether to accept the distribution or reinvest it.

### ***Withdrawals***

The Board shall have the power to withdraw from the Fund or to withdraw the Fund from the Foundation. To this end, a resolution seeking to withdraw from the Fund or to withdraw the Fund from the Foundation shall be placed on the Board's meeting agenda for consideration and final action. It must be noted that the Agency Agreement requires three months written notice of intent to withdraw and subjects withdrawal power and the purposes for which funds may be used to the Foundation's Bylaws.

### ***Reporting***

The Board Treasurer shall keep all records relating to the Fund, including records generated by both the Foundation and the library, including but not limited to, the Agency Agreement, records of donations accepted, records of donations rejected, records of deposits to the Fund, records of distributions from the Fund, records of acceptance or reinvestment of distributions from the Fund and records of withdrawals.

The Board Treasurer shall keep accurate records in financial books of all deposits to, reinvested distributions and withdrawals from the Fund and any other Fund activity.

All books and records relating to the Fund shall be available and open to inspection by any Trustee.

The Treasurer shall perform such other duties as may be specified from time to time by the Board.

***Foundation Dissolution***

In the event that the Foundation dissolves and the Fund reverts to the library, the Board shall have the power to authorize the creation of its own internal library foundation, to find and participate in a foundation comparable to the Foundation or to distribute the Fund for immediate library use. To this end, in the event that the Foundation dissolves, the matter shall be placed on the Board’s next meeting agenda for consideration and final action.

***Return of Fund Absent Foundation Dissolution***

In the event that the Foundation returns the Fund to the library absent dissolution, the Board shall have the power to authorize the creation of its own internal library foundation, to find and participate in a foundation comparable to the Foundation or to distribute the Fund for immediate library use. To that end, in the event that the Foundation returns the Funds to the library absent dissolution, the matter shall be placed on the Board’s next meeting agenda for consideration and final action.

***Library Dissolution***

In the event that the library dissolves, the Board shall have the power to identify an organization or organizations who will benefit from the Fund as long as said organization is consistent with the community trust status of the Foundation, and to so notify the Foundation. To this end, in the event that the library dissolves, this matter shall be placed on the Board’s meeting agenda for consideration and final action.

***Voting***

The action of a majority of the Trustees present at a meeting at which a quorum is present will be the act of the Board.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by roll call vote as follows:

AYES \_\_\_\_\_

NAYS \_\_\_\_\_

ABSENT \_\_\_\_\_

ABSTAIN \_\_\_\_\_

Approved by this \_\_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF ILLINOIS )

) SS.

COUNTY OF DUPAGE )

SECRETARY'S CERTIFICATE

I, the undersigned, the duly qualified and acting Secretary of the Board of Library Trustees of the Village of Villa Park, DuPage County, Illinois, and the keeper of the records thereof, do hereby certify that attached hereto is a true and correct copy of a Resolution entitled:

RESOLUTION NO. 20110928

**RESOLUTION SETTING FORTH POLICY RELATING TO THE VILLA PARK PUBLIC LIBRARY ENDOWMENT FUND AS ESTABLISHED WITH AND ADMINISTERED BY THE DUPAGE COMMUNITY FOUNDATION, A 501(c)(3) NON-PROFIT ORGANIZATION**

passed by the Board of Library Trustees of the Village of Villa Park at a regular meeting of said Board of Library Trustees at which a quorum was present, held pursuant to the Illinois Open Meetings Act on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

I do further certify that said Resolution is entrusted to my care and custody, that the same is duly spread upon the records of said meeting and that I am the custodian of all records of the Villa Park Public Library, including the journal of proceedings or resolutions.

In Witness Whereof, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Secretary, Board of Library Trustees of the Village of Villa Park, DuPage County, Illinois