



## Naples Library FLACE Advisory Committee Policy

### **Mission**

The Mission of this committee is to assist the Library Board and Director with developing, implementing, and monitoring policies for, as well as utilization of, this investment account.

### **Background**

The Finger Lakes Area Community Endowment (FLACE) was created by Canandaigua National Bank (CNB) in 1994 to facilitate and stimulate charitable giving throughout the Finger Lakes region. The Community Endowment was awarded exempt status from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c) (3) on December 5, 1994. The distinctive feature of FLACE is that it allows for the collective management of administrative, investment, and reporting responsibilities required of any charitable trust.

The *Naples Library Donor Advised Fund* was established within FLACE in April 2007 by an action of the Naples Library Board of Trustees. This fund was made possible by a generous contribution from a library patron. All fund assets are held by CNB in the Naples Library Investment Management Account #05-0720. This account is referred to as the FLACE account by the Naples Library Board and Director.

An advisory committee was originally setup in 2007 with the start of the FLACE investment account but had been inactive for several years. At its December 2022 meeting the Library Board voted to reactivate the FLACE Advisory Committee.

### **Committee Composition**

This advisory committee will consist of five members:

1. President of the Board of Trustees
2. Library Treasurer
3. Library Director
4. Canandaigua National Bank representative, as an advisor non-voting member
5. Finance Committee Chair

This committee is to be chaired by the Finance Committee Chairperson.

### **How are FLACE funds invested**

The FLACE funds are held by and invested through Canandaigua National Bank (CNB). The CNB representative reports periodically to the FLACE Advisory Committee and makes investment suggestions based upon the risk-tolerance level approved by the Library Board. Since its inception, that level has been 'Moderate', denoting 'a diversified mix of investments to obtain moderate growth'.

The Library Treasurer, as part of the monthly Treasurer Report to the Library Board, will provide the FLACE account balance, along with the amount of gain or loss during the previous month.

### **How can FLACE funds be utilized**

The FLACE account is intended to serve as a long-term investment for the future needs of the library. With this as a guide, the use of these funds will be at the discretion of the Library Board.

### **Who can approve expenditures from the FLACE account and what is the process**

Only a motion by the Library Board can authorize expenditure of FLACE funds. The FLACE Advisory Committee makes recommendations to the Library Board for the use of FLACE funds explaining its justification. A motion of the board is required to expend funds from the FLACE account.

**How frequently should the Advisory Committee meet**

The FLACE Advisory Committee will meet at least once per year. Additional meetings can be called at the discretion of the committee chair, or upon recommendation of the Library Board.

Adopted by the Naples Library Board of Trustees on January 18, 2023.