

ENDOWMENT FUND RULES OF GOVERNANCE

LP2 | REVISION 2 | REVISED 6/21/2021

I. Name

- A. The name of the endowment fund shall be the Lodi Public Library Endowment Fund (hereinafter the “Fund”).

II. Purpose

- A. The Fund shall be established and maintained by the Lodi Library Board (hereinafter the “Board”) for the purpose of allowing the Board to provide for the needs of the Lodi Public Library (hereinafter the “Library”) by accepting gifts, bequests, devises, and endowments pursuant to Wis. Stats. 43.58 (1) and (7), or any successor statute.
- B. The purposes shall be exclusively charitable and shall be developed to stimulate and encourage gifts (e.g., funds, books, desirable collections, endowments, bequests to the Library) and receive (or refuse), hold, manage, use, and dispose of funds and property of all kinds for the benefit of the Library.
- C. It is intended that the financial support provided by the Fund to the Library be apart from and in addition to, not as a substitute for, any of the funds which are annually provided by the City Council of the City of Lodi in its budget for the Library.

III. Duration

- A. Unless the City of Lodi ceases to exist or unless the Fund is terminated by vote of three-quarters (¾) of the members of the Board, the existence of the Fund shall be perpetual.
- B. In the event that the City of Lodi shall cease to exist, the Fund shall be distributed to any library board of a successor or adjoining municipality fulfilling the purposes of the Lodi Library Board or to another organization exempt from tax to be used for the purposes described in Article VI below.

IV. Management of Fund

A. Committee Composition

- 1. For the purpose of assisting the Treasurer in the management of Fund investment, the Library Board shall establish an Endowment Fund Committee (hereinafter the “Committee”) consisting of a minimum of the following:
 - a) Board Treasurer (Chairperson)
 - b) Board President
 - c) Library Director (Ex Officio)

B. Committee Meetings

- 1. The Committee shall meet at least annually in accordance with LF2 to review the Fund’s investments, to advise the Treasurer regarding investments, and to formulate investment policy recommendations to the Board.
- 2. The Treasurer shall make an annual financial report and recommendation to the Board in accordance with LF2.

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- 3. The Board shall determine and implement policy with respect to the investments of the Fund, taking into consideration the recommendations of the Committee, the overall return produced by such investments, and the diversification and safety of the investments. The Board, through the Treasurer, may maintain accounts in the name of the Fund with any public depository under Chapter 34, Wis. Stats., as it may determine, from time to time.
- 4. The Treasurer shall have authority to do all things necessary and proper for the management of the Fund, including but not limited to the following:
 - a) To sell, option, exchange, redeem, or convert any property interests
 - b) To exercise all rights and privileges accruing to a holder of securities, including all voting, conversion, subscription, and preemptive rights
 - c) To deposit any securities with, delegate discretionary powers to, and participate, cooperate, and contract with, as a member or otherwise, any protective committee of security holders
 - d) To effectuate any merger, consolidation, dissolution, reorganization, or financial adjustment of the issuer of any securities in/or any transfer, demise, or encumbrance of any of its properties
 - e) To abandon any property interest deemed worthless or of insignificant value
 - f) To borrow money from a source, to encumber property of the Fund, and to repay any loan due by the Fund
 - g) To establish and maintain, out of income, a depreciation, depletion, and/or amortization reserve
 - h) To maintain a portion of all of the property constituting the Fund in liquid or ordinary liquid form, even though little or no income is earned thereon
 - i) To register securities in the name of the Board
 - j) To employ and compensate counsel or other persons necessary for proper administration of the Fund and to delegate authority when such delegation is advantageous to the Fund.
 - k) To acquire interest in property by purchase, lease, rental, or other method
 - l) To rent or lease property of the Fund
 - m) To manage and/or develop any real property owned, leased, or otherwise held by the Fund; to erect, repair, remodel, reconstruct, demolish, or remove buildings or other improvements on it; to partition or subdivide it; to dedicate all or any part of it to public or semi-public use, and to grant easement or other charges with respect to it
 - n) To foreclose any mortgage, lien, or other encumbrance, and to purchase the encumbered property, whether through foreclosure or private arrangement

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V. Acceptance of Gifts

- A. Contributors to the Fund may make gifts (“Gifts”). No special terms, conditions, limitations, or directions as to the investment or use of the gift are allowed.
- B. Contributors may also make Gifts of property other than cash (“Gifts in Kind”) provided that the form of such gifts is accepted by the Board.
 - 1. The acceptance of a gift by the Board shall be deemed to be in agreement by the Board with the contributor and the gifts will be subject to the terms and conditions in this document.
 - 2. Title to Gifts in Kind shall be held by the Board.
- C. The Board is authorized to make, publish, and disseminate additional guidelines from procedures and specific decisions for disbursements from the Fund and provide information about the Fund to contributors.

VI. Use of the Fund

- A. The income and principal of the Fund shall be used to fund projects of the Library as deemed appropriate by the Library Board. The following rules and procedures shall be applied in a manner which gives priority to any rule listed prior to any subsequent rule.
 - 1. No income or principal from the Fund shall be expended for the private benefit of any Board member.
 - 2. Expenditures of principal or income from Gifts shall be made only after discussion at a regular meeting of the Board and approval of a majority of the Board members present at a regular or special meeting.

VII. Amendments

- A. These bylaws may be amended at any regular meeting of the board of trustees by majority vote of all trustees, provided written notice of the proposed amendment is distributed to all trustees at least ten days prior to the meeting.
- B. These endowment fund rules of governance (which are in compliance with current applicable Wisconsin Statutes) will be in force after adoption by the board of trustees of the Lodi Public Library as of June 9, 2014 (Revision 0).
- C. Dates of Revision
 - 1. October 17, 2016 (Revision 1)
 - 2. June 21, 2021 (Revision 2)