

Memorandum

To: MPL Library Board
From: Kristin Stoeger, Library Director
Re: Great Decisions Legacy Fund
Date: September 18, 2019

Over the past several months, the MPL Foundation has been investigating setting up a separate endowment to support Great Decisions in perpetuity. I have met with Rachel from LCF and Steve, City of Manitowoc Finance Director, to discuss options for the Great Decisions Legacy Fund. These were the options we discussed.

- Deposit as part of Foundation endowment: Any money received could be deposited into the Foundation endowment as normal. We would need to keep accounting on our side to clearly delineate what and how much has been given towards Great Decisions Legacy Fund. In addition, any annual disbursements for Great Decisions will go against our annual distribution for tax purposes.
- MPL can set up separate endowment with LCF: We can start the account with any amount with the commitment to grow to \$100,000 within 5 years. It would make annual disbursements back to MPL for Great Decisions. This would be a separate endowment operated by Library Board.
- MPL Foundation can set up separate endowment with LCF for this purpose: We can start the account with any amount with the commitment to grow to \$100,000 within 5 years. Any annual disbursements for Great Decisions will go against our annual distribution with the rest of the endowment for tax purposes.
- Keep Great Decisions Legacy Fund in 2811 as held with city making annual interest which will be minimal. There will be no need to re-budget this money; it would be held in there until we use it. It would be easy to make expenses against it for Great Decisions planning and operations. We could use this same account for sponsorships from colleges and organizations.
- Deposit into Foundation endowment or 2811 account until it grows to \$100,000 – at which point, we could set up a separate endowment for the specific purpose of Great Decisions Legacy Fund under LCF.

At this time, I recommended the final option to the Foundation Board which was approved. This option will allow the funding for Great Decisions to grow and, hopefully, eventually grow large enough to separate out into a separate self-sustaining endowment to support Great Decisions in perpetuity. It will add a little extra tracking for the business office to monitor the progress of these funds. The main reason to eventually separate out Great Decisions is to allow that program funding from the annual allocation to be used for new endeavors. With this option, I would look for support from the Library Board that when the amount grows to \$100,000, it be transferred into a new endowment to support Great Decisions.

I would appreciate additional discussion and thoughts regarding these options.