

FORT SASKATCHEWAN PUBLIC LIBRARY  
POLICY

SUBJECT: FINANCIAL POLICY

REFERENCE # 99/04

DATE APPROVED: September 13, 1999

REVISED: March 14, 2001, December 12, 2001, May 14, 2003, June 11, 2003.

**AUDIT**

The audit for the Fort Saskatchewan Public Library's year-end will be conducted in conjunction with the City of Fort Saskatchewan's year-end audit. The financial statements will be compiled and prepared by the City of Fort Saskatchewan for the auditor's review. The auditor will be contracted for the Library under the City's umbrella and will have an understanding of the Library's audit requirements.

A representative of the audit firm will be in attendance at a Library Board Meeting along with a representative of the City to present the annual Audited Financial Statements to the Board. This presentation will provide the Board with a third party opinion on the statements and the opportunity for the Board to ask the auditors any questions in regard to the audited financial statements and the financial well being of the Fort Saskatchewan Public Library.

Upon being approved by the Board, the City will distribute the finalized statements to the Board and management of the Fort Saskatchewan Public Library. Statements are public documents and are made available to the public upon request.

**BANKING**

In accordance with the Letter of Understanding signed between the City and the Library in 2002, the City has taken over all financial transaction processing for the Fort Saskatchewan Library. The City will arrange all the banking services for the Library and be the signing authorities on the bank account for the efficient processing of cheques, receipts and investments. The Library's bank account is a sub-account of the City's main account and receives all the benefits contained in the City's main banking agreement. The Library's accounting transactions and banking information will be reported separately from the City of Fort Saskatchewan's records.

**BUDGET**

The Library Director shall be responsible for the preparation of the Library's annual operating and capital budgets.

The budgets shall be submitted to the Board for review and approval.

On approval by the Board the budget shall then be submitted to the respective authorities.

Budgets shall be based on board stated priorities and sound planning methods, and shall contain sufficient detail to demonstrate accurate projections of revenues and expenditures with appropriate disclosure of planning assumptions.

The request to the City shall be responsive to the City of Fort Saskatchewan fiscal requirements.

## **CAPITAL PLAN**

A five-year capital plan shall be established by the Library Director for review and final approval of the Board. The five-year capital plans shall be reviewed and approved annually.

The capital plan shall be established on the basis of amortizing the cost of physical assets and building maintenance requirements over the estimated useful life.

## **CONFERENCE AND OTHER EXPENSES**

Board members and Library staff delegated to attend conference or authorized meetings shall be paid expenses in accordance with budget provisions and the following provisions.

1. Honoraria are not normally paid (to Trustees) for work performed on behalf of the Library. This does not preclude the Board from authorizing such payments in recognition of special efforts, at their discretion.
2. Attendance by Trustees at conventions and workshops requires prior approval by the Board if the expenses are to be reimbursed.
3. Attendance by Library staff at conventions and workshops requires prior approval by the Library Director if the expenses are to be reimbursed.
4. The following expenses are to be reimbursed:
  - (a) registration fees
  - (b) travel expenses at a Board approved rate or actual train, bus or airfare
  - (c) actual costs of taxi fares or parking costs
  - (d) accommodation at the best available rate: sharing a room is not expected
  - (e) reasonable costs of meals, excluding alcohol, (if not included in registration)
  - (f) banquets (if not included in registration)
    - All claims for expenses shall be submitted on a Fort Sask. Public Library Expense Claim Form (Schedule "B") and supported by receipts.
    - Expense claims for trustees and the Library Director must be approved for reimbursement by one member of the Executive Committee.
5. The current travel rate per kilometer shall be defined in Schedule "A" of this policy.
6. Fees and expenses for spouses and companions attending functions will not be paid.

## **DONATIONS: NON-DESIGNATED**

Any non-designated donation over \$2,500 will be brought to the Board with recommendations from the Library Director.

## **FINANCIAL STATEMENTS**

The Library Director shall be responsible for providing monthly financial reports to the Board that include:

- Current year-to-date expenses
- Positive or negative budget variances of greater than ten percent
- Percentage of budget expended.

Operating revenue and expenditures shall be reported separately from capital revenue and expenditures.

Financial statements for the month preceding each board meeting shall be provided at each meeting of the FSPL board.

### **FISCAL YEAR**

The fiscal year of the Fort Saskatchewan Public Library shall be January 1 to December 31, inclusive.

### **FIXED ASSETS**

The Library Director shall be responsible for maintaining a current a list of fixed assets owned by the Library.

The Library Director shall be responsible for informing the City of Fort Saskatchewan of any changes in assets to ensure that adequate insurance coverage is maintained.

### **GRANT APPLICATIONS**

The Library Director shall be responsible for applying for grants on behalf of the Fort Saskatchewan Public Library and shall keep the Board apprised of applications made, and their status as part of the Library Director's monthly report to the Board.

### **INVESTMENTS**

The Library Board directs and authorizes the Library Director to work with the City of Fort Saskatchewan to:

- a) Manage and invest any operating surpluses or other library funds not required for immediate disbursement in securities issued and guaranteed by any chartered bank, Government of Canada or any province of Canada, and
- b) dispose of any investment so made whenever necessary to meet expenditures or as prudent from an investment management view.

Any departure from this policy requires approval of the Board.

### **PURCHASING OF SUPPLIES AND SERVICES**

There is no requirement for the Library Director to obtain Board approval prior to spending budgeted funds unless the spending would cause overages in any particular budget item, or if the Library Director felt it necessary to move funds from one budget line to another.

In addition to those items specifically included in the budget, the Library Director shall be authorized to purchase capital equipment costing up to \$500. The cost of capital equipment, costing more than \$500 and not specifically approved in the budget, must be authorized by the Board.

### **RECORD RETENTION**

All accounting records shall be retained for a minimum of seven years.

## **RENTING OF FACILITIES OR EQUIPMENT**

Lending of the library tent and other library equipment will be subject to a refundable deposit of \$50.

An inventory record shall be completed before equipment is loaned and upon its return.

## **RESERVES**

### **OPERATING RESERVE**

- 1) An Operating Reserve will be established from any annual operating surpluses.
- 2) Allocation of funds, if available, to the Operating Reserve will occur after the completion of the annual audit.
- 3) Operating Reserve will be capped at five percent (5%) of the annual operating budget.
- 4) The balance of any operating surplus funds in excess of the five percent (5%) amount will be allocated to the General Capital Reserve and Computer Reserve.
- 5) Expenditures or movement of funds from the Operating Reserve must be approved by the Library Board.

### **GENERAL CAPITAL RESERVE**

- 1) The funds in the General Capital Reserve will be used for all capital expenditures with the exception of computer hardware and software.
- 2) The General Capital Reserve shall be funded from
  - a) Any operating surplus that exceeds the Operating Reserve Cap.
  - b) From annual capital requests contained in the annual budget.
- 3) Over expenditures that exceed projected costs by ten percent or greater shall be reported to the Board.

### **COMPUTER RESERVES**

- 1) The Computer Reserve holds funds that will be used for the purchase of computer hardware.
- 2) The Computer Reserve shall be funded from
  - a) From annual capital requests contained in the annual budget.
  - b) Any operating surplus that exceeds the Operating Reserve Cap.
- 3) Over expenditures that exceed projected costs by ten percent or greater shall be reported to the Board.

Capital reserves shall be established on the basis of amortizing the cost of physical assets and building maintenance requirements over their estimated useful life.

## **SIGNING AUTHORITY**

Expenditures will be approved by the Library Director or designate, as defined in Policy 03/01, and processed by City of Fort Saskatchewan Financial Services.

**REQUEST FOR QUOTATION**

In the purchase of supplies and services initiated directly by the Library, where the costs exceed \$5,000, invitations for quotation will be issued to two or more suppliers. In the event that a higher quotation is selected, a written explanation shall be noted on the filed quote explaining the reason for the purchase of the higher priced item or service.

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M. (Robin) Wilkinson  
Board Chair



## FORT SASKATCHEWAN PUBLIC LIBRARY

### PRIVATE VEHICLE USAGE ON LIBRARY BUSINESS

#### POLICY 99/04 Schedule A

Amended March 14, 2001

Revised: October 9, 2002

Board Members and certain authorized Library Staff, from time to time, are required to use their privately owned vehicle on Library business. It is essential that on these occasions the Library is adequately protected for third party liability should an accident occur. The Library requires that Board Members and Library Staff who use their vehicle for Library business carry a minimum of \$1,000,000 Third Party Liability insurance.

Effective March 14, 2001, the current reimbursement rate shall be \$.35 per kilometer.

The following mileage figures will be used as standard reimbursement allowances for travel by Board Members and authorized staff:

#### Local Trips

Fort Saskatchewan to Edmonton	34 km One Way	68 km Round Trip
Fort Saskatchewan to Sherwood Park	29 km One Way	58 km Round Trip
Fort Saskatchewan to St. Albert	43 km One Way	86 km Round Trip

#### Other Destinations

Fort Saskatchewan to Calgary	355 km One Way	710 km Round Trip
Fort Saskatchewan to Jasper	435 km One Way	870 km Round Trip

Other travel to be reimbursed according to Alberta Government mileage measurements.

\*\*\*A 10% allowance has been provided in each mileage figure to account for local travel required during business trips.

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M. (Robin) Wilkinson  
Board Chair



## FORT SASKATCHEWAN PUBLIC LIBRARY

### Policy 99/04 Schedule B

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EXPENSE CATEGORY:

**PLEASE ATTACH ALL RECEIPTS**

Event Name: \_\_\_\_\_

Date(s): \_\_\_\_\_

Honoraria: \_\_\_\_\_ \$ \_\_\_\_\_

Travel Cost:  
 \_\_\_\_\_ Kilometres @ \$.35 per km \$ \_\_\_\_\_

Fares: \_\_\_\_\_ \$ \_\_\_\_\_

Taxi: \_\_\_\_\_ \$ \_\_\_\_\_

Parking: \_\_\_\_\_ \$ \_\_\_\_\_

Accommodation: \_\_\_\_\_ \$ \_\_\_\_\_

Meals: \_\_\_\_\_ \$ \_\_\_\_\_

Banquet: \_\_\_\_\_ \$ \_\_\_\_\_

Total Expenses: \$ \_\_\_\_\_

\_\_\_\_\_  
Signature:

Charge to Expense Line: \_\_\_\_\_

\_\_\_\_\_  
Date:

Cheque Number: \_\_\_\_\_

\_\_\_\_\_  
Approved by: