
Smiths Falls Public Library



Policy Type: **Governance**

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Policy Title: **Financial
Control/Oversight**

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The board is accountable to the community for the library's financial affairs. The board must ensure adequate controls are in place to manage finances and see that the library has adequate resources to deliver service and fulfill its mission. This policy sets out the board's financial practices.

Section 1: Accountability

1. Financial year

The financial year of the Smiths Falls Public Library shall terminate on the 31st day of December in each year.

2. Bank accounts

In accordance with the *Public Libraries Act*, R.S.O. 1990, c. P44 s. 15(4b), the treasurer will open an account or accounts in the name of the board in a chartered bank, trust company or credit union approved by the board.

3. Signing officers

- a) The board shall appoint at least three signing officers, one of which will be the treasurer.
- b) The CEO shall be the signing officer for contracts with vendors and granting agencies.

4. Budget

- a) The board, with the assistance of the treasurer, shall develop an annual operating budget showing potential revenue from all sources (province, local, donations, self-generated) and proposed expenses for library operations.

- b) The board, with assistance of the treasurer, may prepare a long-term capital budget which supports the library's approved long-term goals.
- c) The Annual Operating and Capital budgets shall be approved at a meeting of the library board.

5. Estimates

- a) In accordance with the ***Public Libraries Act***, s. 24(1), the board shall submit to council, annually on or before the date and in the form specified by council, estimates of all sums required during the year for the purposes of the board.
- b) The board will provide sufficient information to support the estimates.

Section 2: Financial Responsibilities of Chief Executive Officer (CEO)

- 1. The Library CEO will be the treasurer for the library board, working with the bookkeeper to maintain and report on library finances.
- 2. The CEO will submit a copy of the audited financial statement to the provincial Ministry responsible for libraries as part of the requirements to complete the Public Library Operating Grant application, if required or upon Ministry request.
- 3. The CEO is authorized to operate the library within the approved library budget and shall authorize payments of all invoices and payroll within the budgeted amounts.
- 4. The CEO may apply for, and bind, any grants deemed appropriate for the operations of the library.
- 5. The CEO may accept donations of cash, in-kind, or materials to support the operations of the library.

Section 3: Financial Monitoring

- 1. The board monitors the finances to ensure that the ongoing financial position of the library is consistent with the priorities approved by the board. The board shall monitor the monthly financial report at each meeting.
- 2. In accordance with the ***Public Libraries Act***, s. 24(7), the accounts of the board shall be audited, by a person appointed under section 296 of the ***Municipal Act***, S.O. 2001, c. 25 and submitted to the council annually on or before the date specified by the council.
- 3. An audit may also be undertaken, upon the death, resignation, dismissal or other termination of the treasurer of the board, and at such other times as the board shall direct.

Section 4: Authorization of Reserve Accounts

1. Board resolution is required when requesting or recommending Council-held reserves be accessed, such as in Development Charge reserves. The Finance Department and/or Council shall approve such requests, according to the municipal by-law.

Section 5: Funds from the Disposal of Assets

1. The Board wishes to ensure that the disposal and sale of non-capital surplus assets is fair and transparent.
 - 1.1. Items held on the Municipal ledgers shall be turned over to the municipality for disposition.
 - 1.2. Items expensed under the library budget shall be held on the library ledger, and therefore funds from the sale of disposed assets shall be returned to the library accounts.

Related Documents:

Municipal Act, S.O. 2001, c. 25

Public Libraries Act, R.S.O. 1990, c. P44