

THE ALBERTA LIBRARY

Policy and Procedures

FINANCE POLICY

Statement of Intent:

The Directors of The Alberta Library Board, hereinafter called the Board, ensure effective management of The Alberta Library's finances in alignment with The Alberta Library's vision and Articles of Association.

Policy:

1. The Board shall ensure that:
 - 1.1 The finances of The Alberta Library are managed in an efficient and accurate manner.
 - 1.2 The finances are managed in accordance with Canadian generally accepted accounting principles.
 - 1.3 The budget shall be consistent with the Board's priorities and the organization's long-term plan.
 - 1.4 There is a sound basis for long-term financial management of the affairs of The Alberta Library.
2. The Board may support any charitable or public project or any institution, or other undertaking which may further the objectives of The Alberta Library.

Procedures:

- 1.1 The finances of The Alberta Library are managed in an efficient and accurate manner.
 - 1.1.1 The fiscal year of The Alberta Library shall be January 1 to December 31, inclusive.
 - 1.1.2 The budget shall be presented for approval at the last Board meeting of the year.
 - 1.1.3 The signing officers are the Chief Executive Officer and two members of the Executive Committee.
 - 1.1.4 The Executive Committee may authorize the Chief Executive Officer to sign contracts, licenses and agreements.
 - 1.1.5 The Alberta Library's financial records shall be maintained to ensure the security of the records.

- 1.2 The finances are managed in accordance with Canadian generally accepted accounting principles.
 - 1.2.1 The Board shall appoint the auditor annually.
 - 1.2.2 The audited financial statement shall be received and approved by the Board.
 - 1.2.3 Assets with a value equal to or more than \$2,500 will be capitalized.

- 1.3 The budget shall be consistent with the Board's priorities and the organization's long-term plan.
 - 1.3.1 Budget practices shall ensure the financial stability and organizational continuity of The Alberta Library.
 - 1.3.2 Each externally restricted program fund shall maintain a balance sufficient to carry on operations for three months.
 - 1.3.3 Members shall approve any change in the fee structure by May 31 of the year preceding the change.
 - 1.3.4 Each year, members shall approve the membership fee schedule for the following year by November 30.
 - 1.3.5 In addition to those items specifically included in the budget, the Chief Executive Officer may approve unbudgeted items of up to \$5,000.
 - 1.3.6 The Executive Committee may approve unbudgeted items to a maximum value of \$10,000. Expenditures in excess of \$10,000 are subject to Board approval. [Articles of Association: 55 (c)]

- 1.4 There is a sound basis for long-term financial management of the affairs of The Alberta Library.
 - 1.4.1 The Board may establish and maintain reserves to provide for future operating and capital requirements and to offset unanticipated fluctuations in operating activities.
 - 1.4.2 Investment earnings are maximized through investment activities, which at the same time minimize exposure and risk.
 - 1.4.3 A Contingency Reserve equivalent to three months of the forecast expenditures for the current year's operating budget shall be maintained.
 - 1.4.4 The General Reserve will be used to cover any deficits in the operating fund and one time unbudgeted expenses at the discretion of the Executive Committee and in accordance with 1.3.6 above.

- 1.4.5 At year end, any excess in income over expenses in the operating fund shall be transferred to the Capital Asset Reserve.

2. The Board may support any charitable or public project or any institution, or other undertaking which supports the vision of The Alberta Library.
 - 2.1 The Executive Committee may approve unbudgeted requests for financial donations and support in accordance with 1.3.6 above.

3. There shall be Administrative Procedures providing additional guidance on implementing the Finance Policy and Procedures.
 - 3.1 The Administrative Procedures shall be reviewed and approved by the Finance Standing Committee and reported to the Executive Committee.
 - 3.2 The Finance Standing Committee will review the Finance Policy and Procedures and the Administrative Procedures at least every three years.