



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

Financial Control and Oversight

1. Purpose:

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.

2. Policy:

This policy sets out the Board's financial practices.

3. Procedure:

Section 1 – Financial Responsibilities of Chief Executive Officer (CEO)

- a. The Library CEO will be the treasurer for the Board, working with the Library bookkeeper to maintain and report on Library finances.
- b. 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 (PLOG) application, if required or upon Ministry request.
- c. 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 amount.
- d. The CEO may apply for, and bind, any grants deemed appropriate for the operations of the Library.
- e. The CEO may accept donations of cash, in-kind, or materials to support the operations of the Library.



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

Section 2 - Accountability

- a. Financial year
 - i. The financial year of the Orillia Public Library shall terminate on the 31st day of December in each year.
- b. Bank accounts
 - i. 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 Library Board in a chartered bank, trust company or credit union approved by the Board.
- c. Signing officers
 - i. The Board shall appoint at least three signing officers, one of which will be the treasurer.
 - ii. All cheques or other orders for the payment of money in the name of the Orillia Public Library Board shall be signed by any two signing officers.
 - iii. The CEO shall be the signing officer for contracts with vendors and granting agencies.
- d. Budget
 - i. 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.
 - ii. The Board, with the assistance of the treasurer, may prepare a long-term capital budget which supports the library's approved long-term goals.
 - iii. The Annual Operating and Capital budgets shall be approved at a meeting of the Board.
- e. Estimates
 - i. 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.



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

- ii. The Board will provide sufficient information to support the estimates.

Section 3 - Financial Monitoring

- a. 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 as prepared by the treasurer, at each meeting.
- b. 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.
- c. 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

The Orillia Public Library Board Reserve Funds have been established to hold the proceeds of fundraising, grants, donations, and bequests (FDGB) received by the Orillia Public Library Board until utilized to support special programs or initiatives outside of the annual operating budget of the Library.

The following provides an overall framework and the terms of conditions for the management and use of the Library's Reserves:

Administration of Reserve Fund

The Library's Reserve Fund will be comprised of a general reserve, a designated donation reserve, a library material reserve, and Born to Read reserve. The reserves are held and



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

administered by the City of Orillia in consultation with the Board. The Board maintains complete authority for how the reserves are disbursed.

Contributions to Reserve Fund

The Reserve Fund will be comprised of:

- Fundraising initiatives
- Donations
- Grants
- Bequests

Allocation of Reserve Funds

Reserve funds will be allocated in the following way:

a. General Reserve

The general reserve will be used to fund programming, technology, equipment, local history, and consultants including lawyers' fees that are outside of the annual operating budget.

Funds are deposited into this reserve when:

- FDGB are made with no stipulations.

b. Designated Donations Reserve

The designated donation reserves will be used for projects that have been defined prior to receiving funding or when the donor makes a specific request for the use of their donation.

Funds are deposited into this reserve when:

- FDGB are made with stipulations that are not materials-related.



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

c. Library Materials Reserve

The Library Materials reserve fund will be used to fund special collections and formats that are outside of the annual materials operating budget.

Funds are deposited into this reserve when:

- FDGB are made stipulating that they are to be used for materials purchasing.

d. Born to Read

This reserve fund will be used to administrate the Born to Read program. Expenses include books, printing, and other administrative costs.

Funds are deposited into this reserve when:

- FDGB are made stipulating they are for the Born to Read Program.

Conditions for Reserves

- Unrestricted FDGB should not be used to pay for utilities, building maintenance, administrative expenses, or other expenses typically supported by the Library’s annual operating budget.
- Funds will be allocated in accordance with any documented direction or conditions stipulated by the donor or granting body. The Library reserves the right to refuse stipulated donations if they do not align with the Library’s strategic priorities.
- Library Management is authorized to expend **designated** reserves for the purpose they were accumulated without Board approval.



Policy Name:	Financial Control and Oversight
Policy Type:	Governance
Policy Number:	GOV-06
Original Adoption Date:	June 2016
Current Approval:	May 2024
Review:	May 2027
Motion:	2024:29

- All expenditures of **undesignated** reserves funds require Library Board approval. Such approvals may be provided for individual disbursements or through the adoption of a reserve allocation plan, identifying and formalizing planned expenditures in support of a specific project or initiative. Such plans shall detail any authority to expend reserve funds that is delegated to the CEO or designate.
- Library staff will track all funds and will provide the Board with a summary of deposits to and disbursements from the Reserves quarterly.

Related Documents:

- [*Municipal Act, 2001*](#)
- Orillia Public Library: Reserve Allocation Plan
- [*Public Libraries Act, R.S.O 1990*](#)