

Purpose: The Medicine Hat Library Board will ensure that the library is managed in a fiscally responsible manner with all aspects of monetary spending accounted for.

1. Definitions

- 1.1. Account: Bank account, GIC, or other financial instrument in which funds are kept.
- 1.2. Reserve: Funds designated for a particular purpose by the Board.
- 1.3. Designated funds: Funds designated for a particular purpose by the funder.

2. Responsibilities

2.1. Medicine Hat Library Board:

- 2.1.1. Responsible for the financial management of the Library.
- 2.1.2. Discuss and approve quarterly financial reports.
- 2.1.3. Discuss and approve the annual audit report.
- 2.1.4. Discuss and approve the annual budget.

2.2. Human Resources and Finance Committee:

- 2.2.1. In accordance with Board Policy G.2, responsible for regular review of the budget and to acquaint the Board with the Library's financial situation.

2.3. Chief Librarian or Designate:

- 2.3.1. Responsible for the day-to-day fiscal management of the Library.
- 2.3.2. Create an initial draft of the annual budget for discussion with the Human Resources and Finance Committee.
- 2.3.3. Prepare quarterly financial reports for the Board and monthly reports for HR&F Committee.
- 2.3.4. Coordinate production of the annual audit report in consultation with the City and Board.
- 2.3.5. Access available grants.

2.4. The Library Board Chair, Chair of the Human Resources and Finance Committee, and the Chief Librarian have signing authority for the Library. All cheques require two signatures.

3. Accounts

3.1. Bank Accounts:

The Library will maintain bank accounts as general holding accounts for funds which need to be liquid and quickly accessible. Multiple accounts may be maintained to maximize interest earned on some funds while accessing desired banking services on other funds.

3.2. GICs and Other GUARANTEED INVESTMENT ACCOUNTS

- 3.2.1. Funds which do not need to be liquid and which will not be used or required for a known period of time will be kept in GICs or other guaranteed investment accounts that provide the highest interest or rate of return available with the access required for those funds as determined by the board.

4. Reserves

4.1. Operating Reserve:

- 4.1.1. This reserve is intended to fund operating expenses when expenses are incurred before revenue is received during a fiscal year.
- 4.1.2. This reserve consists of all funds in the Library's accounts which have not been designated as other reserves via a Board resolution, and are not designated funds subject to conditions of use.

- 4.1.3. At the end of the fiscal year, Operating Reserve funds should be fully replenished by receipt of revenue per the annual budget.
- 4.2. Donations Reserve:
 - 4.2.1. This reserve is intended to fund initiatives selected by donors, or improvements to the Library where no instructions are provided by donors.
 - 4.2.2. The Board adds funds to the Donations Reserve via Board resolution. The Board will normally do this with monetary donations made to the Library in accordance with Board Policy LS.9 Donations that are not spent in the fiscal year they were donated.
- 4.3. Capital Asset Reserve:
 - 4.3.1. This reserve is intended to fund capital projects as approved by the Board.
 - 4.3.2. The Board will use this reserve to fund any operating deficit.
 - 4.3.3. This reserve shall accumulate through operating surplus and interest earned on other reserves.
 - 4.3.4. The amount held in this reserve shall be reviewed annually.
- 4.4. Vacation Entitlement Reserve:
 - 4.4.1. This reserve is intended to assist in funding vacation benefits as they become due upon an employee's resignation or retirement.
 - 4.4.2. This reserve is maintained at an amount deemed reasonable for the purposes of vacation benefits. This amount shall be reviewed annually.
 - 4.4.3. Changes to this fund shall be allocated from/to the Capital Asset Reserve.
- 4.5. Insurance Deductible Reserve:
 - 4.5.1. This reserve is intended to cover the insurance deductible and shall be maintained at no less than the insurance deductible.
- 5. Designated funds
 - 5.1. Grants
 - 5.1.1. These funds accumulate through solicited grants received by the Library.
 - 5.1.2. Grants are held within accounts and expenditures are tracked such that the disbursement of funds is documented and can be reported to meet grant requirements.
 - 5.2. Restricted Donations
 - 5.2.1. These funds accumulate through restricted donations made to the Library.
 - 5.2.2. Donations are held within the accounts, and expenditures are tracked such that the disbursement of funds is documented and can be reported to donors.
- 6. Investments
 - 6.1. All library investments shall be placed in guaranteed investment programs, to ensure full protection of public monies.
 - 6.1.1. Library operating monies shall be moved into guaranteed investment certificates for short-term interest gain when appropriate.
 - 6.1.2. Library monies anticipating no action during a given year shall be placed in long-term guaranteed investments to maximize earning potential.
 - 6.2. Exceptions in investment strategy will be made at the discretion of the Human Resources and Finance Committee.
- 7. Audit
 - 7.1. The audit of the Library's financial statements shall be held in the first quarter of the year following the year being audited.

- 7.2. To ensure compatibility with the City of Medicine Hat's annual audit, the company chosen to audit the Library shall be the same company as that which is auditing the City of Medicine Hat.
 - 7.3. The audit shall be presented by the auditors to the Human Resources and Finance Committee; a portion of the presentation shall be held independent of the Chief Librarian.
8. Annual Budget
- 8.1. Annual budget preparations shall be in accordance with the City of Medicine Hat's budgetary processes and time frame in order to access any available City funds.