

Muskoka Lakes Township Public Library
LIBRARY BOARD POLICY

Policy Type: Governance	Policy Number: GOV-06
Policy Title: Financial Control and Oversight	Policy Approval Date: 11/08/22
Chairperson: V. Duke	Policy Review Date: 11/26

Intent:

The Muskoka Lakes Public Library Board (herein after referred to as the Board) must ensure that adequate controls are in place to manage finances and see that the Library has adequate resources to deliver service and fulfil its mission. This policy sets out the Board’s financial practices and the relationship with the Township of Muskoka Lakes Financial Services Department (herein after referred to as Finance).

Regulations:

The Board is accountable to the Township Council (herein after referred to as the Council) and taxpayers for the financial affairs of the Muskoka Lakes Public Library (herein after referred to as the Library). While the Township provides financial services to the Library, the Board has financial authority for the Library. The roles and responsibilities are outlined in the Memorandum of Understanding between the Township and the Library.

Procedures:

Section 1: Financial Responsibilities

Library Chief Executive Officer (CEO)

1. will be the Treasurer for the Board (herein after referred to as Treasurer), working with Finance to maintain and report on Library finances. The CEO and Finance staff will work closely to make sure both understand the payables, income and grants and how each is to be allocated.
2. will approve all payables before they are paid
3. will submit to the Finance all necessary information for staff payroll
4. 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
5. will operate the Library within the approved Library budget and authorize payments of all invoices and payroll within the budgeted amounts
6. will apply for, and bind, any grants deemed appropriate for the operations of the Library
7. will accept donations of cash, in-kind, or materials to support the operations of the Library
8. will use any and all financial statement information received from the auditor as needed, i.e. Ontario Public Libraries Annual Survey

Township Financial Services

1. will maintain the accounts for the Library and pay all payroll and general payables
2. will supply financial statements monthly, or more often, as needed, for the information and use of the CEO and the Board.



Section 2: Accountability

1. Financial year

The financial year of the 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. The Treasurer will:

- a) deposit all receipts, grants and donations received by the Library into this account
- b)) forward this income to Finance at least monthly
- c) reconcile the bank statements and forward both the bank statements and reconciliation statement to Finance monthly

3. Signing officers.

- a) The Board will appoint at least three signing officers, one of whom will be the Treasurer
- b) All cheques or other orders for the payment of money from the Library account will be signed by any two signing officers
- c) The Treasurer will be the signing officer for contracts with vendors and granting agencies

4. Budget

In accordance with the Public Libraries Act, s. 24(1), the Board will:

- a) approve the Annual Operating and Capital budgets at a Library board meeting
- b) ensure submission to Council, annually, on or before the date and in the form specified by Council, estimates of all sums required during the year. showing potential revenue from all sources (province, local, donations, self-generated) and proposed expenses for Library operations
- c) ensure submission to Council, annual estimates of a long-term capital budget which supports the Library's approved long term goals.
- d) ensure sufficient information is provided to support the estimates.

Section 3: Financial Monitoring

- a) The Board will monitor the finances to ensure that the ongoing financial position of the Library is consistent with the priorities approved by the Board, by reviewing at each meeting, the monthly financial reports prepared by Finance.
- 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. The CEO, as Treasurer of the Board, shall receive copies of the Library's audited financial statement from the Township, distribute a copy to each Board member, and file a copy with the Library's official records. 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: Tangible Capital Assets

The Library follows the Municipal Tangible Capital Assets Policy, with the following library-specific guidelines and exceptions:

1. Threshold



Tangible Capital Assets will be capitalized when the individual unit cost meets or exceeds the following thresholds:

- Shelving and furniture: \$5,000
- Specialty and other equipment: \$5,000
- Computer hardware and software: \$5,000
- Resource materials: no threshold

Tangible Capital Assets that have a useful life greater than one year but a per unit cost that is less than the thresholds will be expensed in the year of purchase unless it is an asset that is included in an asset pool. These assets may be tracked for asset management purposes.

2. Useful life

Useful life is the estimate of the period over which a tangible capital asset is expected to provide services. The life of a tangible capital asset may extend beyond its estimated useful life. As a guideline, assets are amortized over the following life spans:

- Shelving: 25 years
- Furniture: 10 years
- Specialty and other equipment: 10 years
- Computer hardware 3 years:
- Computer software (office): 3 years
- Computer software (ILS): 10 years
- Resource materials, collections: 7

Related Documents:

MLPL GOV-BL 02 – Composition of the Board and Terms of Reference for Officers

MLPL OP-23 – Purchasing/Procurement of Goods and Services

MLPL OP-24 – Collection Development

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

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

Memorandum of Understanding between the Township of Muskoka Lakes and the Township of Muskoka Lakes Public Library Board