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Medicine Hat Public Library  
Category: Governance

Policy No. G.3  
Title: Financial Management Policy  
Date Approved: 2005 09 07

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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. Responsibilities

1.1. Medicine Hat Library Board:

- 1.1.1. Responsible for the financial management of the Library.
- 1.1.2. Discuss and approve quarterly financial reports
- 1.1.3. Discuss and approve the annual audit report.
- 1.1.4. Discuss and approve the annual budget.

1.2. Budget and Finance Committee:

- 1.2.1. In accordance with Board Policy G.2, is responsible for regular review of the budget and to acquaint the Board with the Library's financial situation.
- 1.2.2. Provide approved quarterly financial reports to the City of Medicine Hat.

1.3. Chief Librarian:

- 1.3.1. Responsible for the day-to-day fiscal management of the Library.
- 1.3.2. Responsible for the initial drafting of the annual budget for discussion by the Budget and Finance Committee.
- 1.3.3. Access available grants in support of library service to the community.

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

2. Accounts

2.1. General Operating Account:

- 2.1.1. This account is the general holding account for all revenue (excluding the City of Medicine Hat Grant) received by the Library.
- 2.1.2. This account acts as the chequing account for the Library.

2.2. Donations Account

- 2.2.1. The Donations Account is held within the General Operating Account and tracked separately.
- 2.2.2. This account accumulates through monetary donations made to the Library in accordance with Board Policy LS.8 Donations.

2.3. Grants Account

- 2.3.1. The Grants Account is held within the General Operating Account and tracked separately.
- 2.3.2. This account accumulates through solicited grants received by the Library.

- 2.4. Capital Asset Reserve:
  - 2.4.1. The Capital Asset Reserve is held within the General Operating Account and tracked separately.
  - 2.4.2. This reserve is intended to fund capital projects as approved by the Board.
  - 2.4.3. The Board will use this reserve to fund any operating deficit.
  - 2.4.4. This reserve shall accumulate through operating surplus and interest earned on other reserves.
  - 2.4.5. The maximum amount to be held in this reserve shall be reviewed annually.
- 2.5. Vacation Entitlement Reserve:
  - 2.5.1. This reserve is intended to assist in funding vacation benefits as they become due upon an employee's resignation or retirement.
  - 2.5.2. This reserve is maintained at an amount deemed reasonable for the purposes of vacation benefits. This amount shall be reviewed annually.
  - 2.5.3. Changes to this fund shall be allocated from/to the Capital Asset Reserve.
- 2.6. Insurance Deductible Reserve:
  - 2.6.1. This reserve is intended to cover the insurance deductible and shall be maintained at no less than the insurance deductible.
3. Investments
  - 3.1. All library investments shall be placed in guaranteed investment programs, to ensure full protection of public monies.
    - 3.1.1. Library operating monies shall be moved into guaranteed investment certificates for short-term interest gain when appropriate.
    - 3.1.2. Library monies anticipating no action during a given year shall be placed in long-term guaranteed investments to maximize earning potential.
  - 3.2. Exceptions in investment strategy will be made at the discretion of the Budget and Finance Committee.
4. Audit
  - 4.1. The audit of the Library's financial statements shall be held in January of the year following the year audited.
  - 4.2. 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.
  - 4.3. The audit shall be presented by the auditors to the Budget and Finance Committee; a portion of the presentation shall be held independent of the Chief Librarian.
5. Annual Budget
  - 5.1. Annual budget preparations shall be in accordance with the City of Medicine Hat's budgetary time frame in order to access any available City funds.
  - 5.2. Budget requests to the City of Medicine Hat shall be made to the Chief Commissioner or designate.