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**Purpose:** The Banff Public 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 The financial responsibilities of the Banff Public Library Board include the following:
  - 1.1.1. Manage the overall financial well-being of the Library;
  - 1.1.2. Review monthly financial reports;
  - 1.1.3. Review and approve the annual audit report; and
  - 1.1.4. Review and approve the annual budget.
- 1.2 The responsibilities of the Human Resources and Finance (HR&F) Committee are defined in the committee mandate outlined in **Policy G.2**.
- 1.3 Financial responsibilities of the Human Resources and Finance (HR&F) Committee include, but are not limited to, the following:
  - 1.3.1 Development and recommendation of the annual budget and multi-year budget projections, as required;
  - 1.3.2 Preparation of required reports (including, but not limited to, remuneration and benefit program reviews) to assist in the development of the annual budget; and
  - 1.3.3 Management of bank, investment, and credit account arrangements.
- 1.4 The financial responsibilities of the Library Director include the following:
  - 1.4.1 Management of day-to-day finances of the Library with respect to the approved budget;
  - 1.4.2 Drafting of the annual budget for presentation to the Human Resources and Finance (HR&F) Committee;
  - 1.4.3 Pursuance of and application for applicable grants in support of Library services; and
  - 1.4.4 Provision of necessary information to accountant between the 10<sup>th</sup> - 15<sup>th</sup> of each month for the development of monthly financial reports.

## 2. Financial Signing Authority

- 2.1. The following individuals have financial signing authority:
  - 2.1.1. Board Chair;
  - 2.1.2. Vice-Chair;
  - 2.1.3. Treasurer;
  - 2.1.4. Library Director; and
  - 2.1.5. Assistant Library Director.
- 2.2. Financial limitations are as follows:
  - 2.2.1. Cheques with amounts over \$500.00 require two (2) signatures: One Board member (outlined in Section 2.1) and either the Library Director or Assistant Library Director, or Two Board members (outlined in Section 2.1).
  - 2.2.2. Cheques with amounts under \$500.00 may be signed by any one (1) person outlined in Section 2.1.

## 3. Library Revenues

- 3.1. Grants are to be the predominant source of the Library revenues. The sources of the grants are at the sole discretion of the Board and may include the following sources:
  - 3.1.1. Town of Banff;
  - 3.1.2. Province of Alberta;



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- 3.1.3. Improvement District 9;
- 3.1.4. Marigold Library System;
- 3.1.5. Community-Based Grants; and
- 3.1.6. Other grants from unspecified sources as approved by the Board.
- 3.2. The Library may obtain revenues from library-provided services that include, but are not limited to, room rentals, book sales, copying fees.
  - 3.2.1. All service fees are dictated by service fees outlined in Schedule A in the By-Laws.
- 3.3. Donations (and related donations-in-kind) made to the Library are to be made in accordance with the Donations Policy **see Policy LC.5.**
- 3.4. The Library may accept revenues arising from fundraising events, as approved by the Board. All fundraising is subject to the following conditions:
  - 3.4.1. Individuals or groups (such as Friends of the Banff Public Library) may engage in fundraising initiatives on behalf of the Library to seek donations for restricted (specific program/project), unrestricted, and endowment purposes. The fundraising effort must be approved by the Board by presentation of a fundraising plan
  - 3.4.2. The Library Director must inform the Board of the use of any Library resources, including staff time, space, equipment or Library images which are required to implement the campaign
  - 3.4.3. The Library is not responsible for shortfalls incurred by external organizations in a fundraising campaign
- 3.5. Endowment payouts as defined within the Endowment Policy (see **Policy LC.5, section 6.5**)
- 3.6. The Board may accept grants and donations derived from granting authorities such as the Alberta Lottery Fund.
  - 3.6.1. If no direction is made with regards to how the funds are to be used, the Board reserves the right to direct the funds to the appropriate areas.
- 3.7. The Board may accept donations from the proceeds of gaming activities that are conducted according to the Alberta Gaming and Liquor Commission (AGLC) regulations.
  - 3.7.1. If no direction is made with regards to how the funds are to be used, the Board reserves the right to direct the funds to the appropriate areas.

#### 4. Library Expenses

- 4.1. Library expenses include expenses related to administration, board development, building operations and maintenance, materials and programming, and staffing.
  - 4.1.1. Expenses are to be determined by the Library Director in consultation with the Board.
- 4.2. Remuneration is to be reviewed by the Human Resources & Finance (HR&F) Committee with the Library Director every three years, or at the discretion of the Board.
- 4.3. Reimbursable expenses for Board and staff shall include, but are not limited to, mileage, accommodation, meals or other ancillary expenses as outlined in the Board and Staff Expense Claim Form. **See HR.5 Travel Policy, Attachment 1.**



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## 5. Library Capital Assets (see Investment Policy G.4)

- 5.1. Capital assets includes anything that is attributable to acquisition, construction, and development that leads to the betterment of the Library. Capital assets are defined into the following categories:
  - 5.1.1. Leasehold improvements
  - 5.1.2. Computer equipment
  - 5.1.3. Furniture and equipment
  - 5.1.4. Items determined by the Board
- 5.2. Repairs and maintenance costs are not to be identified as capital assets.
- 5.3. Works of art, historical treasures, and intangible assets are not recognized as capital assets.
  - 5.3.1. The Board retains the right to sell, donate, or dispose of the above items, as required.
- 5.4. Costs less residual value of the capital assets are amortized over the estimated useful life using the declining balance method.
  - 5.4.1. The amortization rates are to be determined in conjunction with auditors and set on an annual balance.

## 6. Library Funds

- 6.1. The Library maintains a Capital Fund which is internally restricted by the Board. The Capital Fund:
  - 6.1.1. May be used to fund expenditures including repairs/replacements/upgrading and/or construction of new assets/infrastructure as approved by the Board.
  - 6.1.2. May be used to fund any operating deficit at the discretion of the Board.
  - 6.1.3. May be invested as per the **Investment Policy G.4**.
  - 6.1.4. May accumulate through any operating surpluses, through interest earned, and through any dividends accumulated through any investment strategies.
  - 6.1.5. Shall be reviewed on an annual basis.
- 6.2. The Library maintains an Operating Fund which is internally restricted by the Board. The Operating Fund:
  - 6.2.1. May be used for matters relating to the operating nature of the Library.
  - 6.2.2. May be used to provide stabilization to the budget because of sudden economic downturn.
  - 6.2.3. May be used as an emergency fund to provide at least 6 months operating expenses of the Banff Public Library, excluding payroll, or at the discretion of the Board.
  - 6.2.4. May not be invested as per the **Investment Policy G.4**.
  - 6.2.5. May accumulate through any operating surpluses, and through any bank interest earned.
  - 6.2.6. Shall be reviewed on an annual basis.
- 6.3. The Library maintains an Endowment Fund which provides an independent source of permanent, long-term funding for the Library through the Banff Canmore Community Foundation.
  - 6.3.1. The Endowment Fund will be managed as per the Endowment Policy (see **Policy LC.5, Section 6.5**)



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## **7. Reporting Procedures**

### 7.1. Monthly Financial Reports

- 7.1.1. Monthly financial reports will be developed by a qualified accountant and be based on information provided by the Library Director
- 7.1.2. The Library Director will receive the financial reports and verify them prior to submitting to the Board for review
- 7.1.3. Monthly financial reports will be provided to the Board for review one week prior to the monthly designated Board meetings
- 7.1.4. Monthly financial reports will be only reviewed by the Board for planning purposes but not approved
- 7.1.5. Specific line items in the financial reports may only be added through Board approval

### 7.2. Auditing

- 7.2.1. The Annual Audit Review is conducted through the Town of Banff. The Board shall cooperate with the Town of Banff throughout their audit process.
- 7.2.2. The Board will review and approve the Annual Audit or Financial Review provided by the auditor.
- 7.2.3. The Board may conduct additional audits as necessary.

## **8. Budget Preparation and Development**

### 8.1. Annual Budget

- 8.1.1. Annual Budget preparations shall be in accordance with the Town of Banff's budgetary time frame to access any available Town funds.
- 8.1.2. Budget requests to the Town of Banff shall be made at the Budget Meeting set by the Town of Banff, and in accordance with the schedule presented by the Town of Banff.

### 8.2. Multi-Year Budget

- 8.2.1. Multi-year budgets will be developed for planning purposes only.
- 8.2.2. When the Town of Banff requests a multi-year budget projection the HR&F Committee will prepare and present to the Board for information not approval.
- 8.2.3. Multi-year budget projections will not substitute or supersede the annual budget that has been approved by the Board.