Peterborough Public Library Governance Board Financial Control and Oversight

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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 request that the Library has adequate resources to deliver services and fulfill its mission. This policy sets out the Board's financial practices.

2. Definitions

2.1. **Board**: Peterborough Public Library Board
2.2. **Director / CEO**: Peterborough Public Library Director / Chief Executive Officer
2.3. **Financial Analyst**: a finance professional with the City of Peterborough who supports the Library with general ledger by assisting with maintaining accounting records, monitoring account balances, and preparing journal entries.
2.4. **Library**: Peterborough Public Library
2.5. **PLA**: Public Libraries Act, R.S.O. 1990, c. P44
2.6. **Treasurer**: the statutory official responsible for the financial administration of the Library Board.

3. Accountability

3.1. Financial year

The financial year of the Peterborough Public Library shall terminate on the 31st day of December in each year.

3.2. 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 Library Board in a chartered bank, trust company, or credit union approved by the board.

3.3. Signing officers

3.3.1. The Board shall appoint at least two (2) signing officers, one of which will be the Treasurer.

3.3.2. All expenses will be approved as per the City of Peterborough's Procurement By-law.

3.3.3. The Library Director / CEO shall be the signing officer for contracts with vendors and granting agencies in alignment with contract values as set out in the City of Peterborough's Procurement By-law (Appendix A – Schedule of Approval Authority and Appendix B – Exempt Expenditures).

3.4. That at the beginning of each Board term, a financial subcommittee be created with a minimum of three (3) Library Board members.

4. Budget

4.1. The Board, with the assistance of the Library Director / CEO and Treasurer, shall develop an annual operating budget showing potential revenue from all sources (province, local, donations, self-generated) and proposed expenses for Library operations.

4.2. The Board, with assistance of the Library Director / CEO and Treasurer, may prepare a long-term capital budget which supports the Library's approved long-term goals.

4.3. The Annual Operating and Capital budgets requests shall be approved at a meeting of the Library Board.

4.4. 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 for the purposes of the Board.

4.5. The Board will provide sufficient information to support the estimates.

5. Financial Responsibilities of Director/Chief Executive Officer (CEO)

5.1. The Library Director / CEO will ensure financial controls are being performed in conjunction with the City Finance department and in accordance with relevant policies.

5.2. The Library Director / CEO will support the Treasurer for the Library Board,

working with the Library's Financial Analyst to maintain and report on Library finances.

5.3. The Library Director / 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.

5.4. The Library Director / CEO, with support from Finance, will submit the annual charity return as per the requirements of the Canada Revenue Agency (CRA).

5.5. The Library Director / CEO is authorized to operate the Library within the approved Library budget and shall authorize payments of invoices and payroll in accordance with the City of Peterborough's Procurement By-law.

5.6. The Library Director / CEO may apply for, and bind, any grants deemed appropriate for the operations of the Library as per the City of Peterborough's policies.

5.7. The Library Director / CEO or delegate may accept donations of cash, in-kind, or materials to support the operations of the Library.

6. Financial Monitoring

6.1. 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 quarterly financial report as prepared by the Treasurer.

6.2. 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.

6.3. An audit may also be undertaken, upon the death, resignation, dismissal, or other termination of the Treasurer of the Board or Library Director / CEO, and at such other times as the Board shall direct.

7. Authorization and Reserve Accounts

7.1. The Library Director / CEO, in consultation with the Treasurer, may make recommendations to the Board for approval of the annual roll-over of any unused funds or interest into the Library Surplus Reserve in accordance with policies and procedures. The Library reserve accounts may not include annual provincial funding (PLOG or Pay Equity), which must be spent on Library services in the fiscal year received.

7.2. The Library Board reserve accounts will be held by the Library and will be credited with any interest earned on the fund balances.

7.3. Board resolution is required when requesting support from Council-held reserves. Council shall approve such requests, according to the municipal by-law.

8. Funds from the Disposal of Assets

8.1. The Board wishes to ensure that the disposal and sale of non-capital surplus assets is fair and transparent.

a. Items held on the Municipal ledgers shall be turned over to the municipality for disposition.
b. Items expensed under the Library budget shall be held on the Library ledger, and therefore, funds from the sale of disposed assets shall be returned to the Library accounts in accordance with City policies and procedures.
c. Library collection materials are exempt from this policy and will follow Collection Development Policy.

9. Tangible Capital Assets

The Library will follow the City of Peterborough's Asset Management Policy and procedures.

10. Roles and Responsibilities

10.1. The Peterborough Public Library Board is responsible for approving this policy.

10.2. Library Director / CEO is responsible for implementation of this policy.

11. Privacy and Confidentiality

The Library protects the privacy and confidentiality of all members personal information in keeping with the access to information and privacy provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56 (MFIPPA) and other applicable legislation.

The Library collects personal information of Library members under the authority of section 23(4) of the Public Libraries Act, R.S.O. 1990, c.P.44, and personal information will only be used to administer services and programs at the Library.

12. Communications

This policy will be distributed on the Library's website.

13. Inquiries

Inquiries regarding this policy should be directed to the Library Director / CEO.

14. Related Documents

14.1. City of Peterborough's Procurement By-law

14.2. City of Peterborough's Asset Management Policy, 0038

14.3. Collection Development Policy

14.4. Public Libraries Act, R.S.O. 1990, c. P.44

14.5. Peterborough Public Library Board Bylaws, PPL-GOV-001