Ramara Township Public Library	**Financial Control and Oversight Policy**	**Policy** # GO-09
		Policy Type: Governance
		Approved Motion: 2026-42
		Review Date: 2030

PURPOSE

The Board is accountable to the community for the Library's financial affairs and for ensuring that public funds are used responsibly, transparently, and in alignment with the Library's mission and strategic priorities. This policy establishes clear financial controls and oversight mechanisms consistent with the Board–CEO relationship set out in the *GO-02 Board–CEO Partnership Policy* and the authorities defined in the *GO-01 Ramara Township Public Library Board Bylaws*.

POLICY STATEMENT

The Board delegates day-to-day financial management to the Chief Executive Officer (CEO) while retaining responsibility for financial oversight, approval of budgets, monitoring of financial performance, and ensuring compliance with legislative and regulatory requirements. Financial authority, accountability, and reporting shall be exercised in accordance with this policy and applicable legislation, including the *Public Libraries Act* and the *Municipal Act*.

DEFINITIONS

Reserve: means an allocation of accumulated net revenue that makes no reference to any specific asset and does not require the physical segregation of money. Established primarily for the purpose of providing working funds. A reserve cannot have a revenue or expense of itself, like a reserve fund.

Reserve Fund: means a fund that is segregated and restricted to meet a specified purpose and includes both an obligatory reserve fund and a discretionary reserve fund.

ROLES AND RESPONSIBILITIES

Board of Trustees

The Board shall:

- Approve the annual operating and capital budgets to be submitted to Council;
- Approve financial policies and significant financial decisions;
- Monitor the Library's financial position through regular financial reporting;
- Ensure that appropriate internal controls and audit processes are in place;
- Approve the use of undesignated reserve funds;
- Receive and review audited financial statements;

- Ensure alignment between financial decisions and the Board's strategic and policy directions.

These responsibilities are exercised in accordance with the Board's governance role as defined in the *GO-01 Ramara Township Public Library Board Bylaws* and the *GO-02 Board–CEO Partnership Policy*.

Chief Executive Officer (CEO)

The CEO, as the Board's sole employee, is responsible for:

- Managing the Library's finances within the Board-approved budget;
- Providing explanation and accountability for over expenditures;
- Authorizing payments for invoices, payroll, and contractual obligations within approved limits;
- Ensuring accurate and timely financial records and reports are prepared;
- Submitting audited financial statements and required financial information to the Province as required for funding;
- Applying for, accepting, and administering grants and donations consistent with Board policies;
- Implementing internal financial controls and ensuring compliance with this policy and related procedures.

FINANCIAL ACCOUNTABILITY FRAMEWORK

Financial Year

The Library's financial year shall end on December 31.

Bank Accounts

In accordance with the *Public Libraries Act*, all bank accounts shall be opened in the name of the Library Board at a financial institution approved by the Board.

Financial Administration

The Township of Ramara may act as Treasurer for the Board, including maintaining bank accounts, submitting financial reports, and carrying out the duties of Treasurer as outlined in the *GO-01 Ramara Township Public Library Board Bylaws*.

Signing Authority

- The Board shall appoint a minimum of three signing officers, which shall include the Treasurer, the Chief Executive Officer (CEO), and the Board Chair.
- Two authorized signing officers are required to approve payments and financial commitments on behalf of the Board.
- Where financial administration services are provided by the Township of Ramara, payment processing and signing procedures shall be carried out in accordance with the

Township's financial policies and systems. In such cases, the Board's appointed signing authority shall be recognized through the Township's authorization processes.
- The CEO is authorized to execute contracts and agreements within Board-approved limits and in accordance with applicable municipal and Board policies.

Budgeting and Estimates

- The CEO shall prepare estimates of operating and capital budget for Board consideration.
- The Board shall review, amend if required, and approve the budgets by formal resolution.
- In accordance with the *Public Libraries Act*, the Board shall submit annual financial estimates to Council in the required form and timelines.

Financial Monitoring and Reporting

- The Treasurer, or designate, shall provide the Board with regular financial reports, including variance analysis.
- The Board shall review financial reports at each regular meeting to ensure alignment with approved priorities and budgets.
- The accounts of the Library shall be audited annually by an auditor appointed in accordance with the *Municipal Act*.
- Additional audits may be directed by the Board as circumstances require.

RESERVES

Establishing Reserves

Reserves may be established with approval Board approval and, where required, approval of the Township of Ramara Council, to support the work and financial sustainability of the Library Board.

The Board maintains the following Reserves:

1. Future Capital Expenditures Reserve

   Funds in this reserve are for the use of capital or other one-time projects that cannot be funded through the operating budget. Drawdowns from this Reserve shall be considered by the Library Board through the annual budget process and/or when recommendations arise from the Library CEO to support Library capital needs.
   A percentage (%) of surplus revenue will be dedicated to this reserve as approved by the Library Board.

2. Expansion Reserve Fund

   Funds in this reserve are for the use of developing, improving, or expanding the library location(s). The Library Board will request transfers as part of the budget process to access this Reserve Fund for special projects outside of the operations budget specific to library expansion/improvement activities.

A percentage (%) of surplus revenue will be dedicated to this reserve as approved by the Board.

3. Donation and Fundraising Reserve

   Funds in this reserve are for any amounts raised through restricted or unrestricted donations, grants, bequests, or other fundraising campaigns completed by the Library or on behalf of the Library. Any funds generated in Miscellaneous Revenue and Other Grants that are not used within the fiscal year will be moved to this reserve. These funds are to be used as per the *Donations and Fundraising Policy*.

Use of Reserve Funding

- Must be within the approved budget or by motion of the Board.
- Use of unrestricted funds within the Donation and Fundraising Reserve requires approval in accordance with the *Procurement Policy*.
- Use of restricted funds within the Donation and Fundraising Reserve may be expended as outlined by the donation/grant restriction by the CEO.
- Reserve activity shall be reported to the Board on a regular basis, or as requested.

Dissolution of Reserves

Reserves and Reserve Funds may be dissolved only with the approval of the Library Board. Any dissolution shall be authorized by formal Board resolution, which shall specify the disposition of any remaining funds. Funds from a dissolved reserve shall be transferred to another reserve or to the general operating surplus, as determined by the Board. The rationale for the dissolution shall be documented.

ASSET MANAGEMENT AND DISPOSAL

- The Library shall manage tangible capital assets in accordance with applicable policies, with library-specific thresholds and practices as approved by the Board.
- Disposal of surplus assets shall be conducted in a fair and transparent manner.
- Proceeds from the disposal of Library-owned assets shall be returned to Library accounts unless otherwise required elsewhere and approved by the Board.