

Intent

The Alberta Library (TAL) practices effective financial management to fulfill its strategic direction and provide accurate and complete financial data for internal and external use.

Policy

1. Audit

- 1.1. The Auditor will be appointed at the Annual General Meeting each year.
- 1.2. The Board of Directors is the audit committee.
- 1.3. The fiscal year of TAL is January 1 to December 31.

2. Budget

- 2.1. The CEO and Finance Manager will submit an annual budget to the Board of Directors in time for approval prior to each fiscal year.
- 2.2. The budget is consistent with the Board's priorities and TAL strategic direction and principles.
- 2.3. Budget practices shall ensure the financial stability and sustainability of TAL.
- 2.4. The membership fee structure is approved by the Board of Directors.
- 2.5. Changes to the membership fee structure will be presented at the AGM of the year preceding the change and included in the following year's operating budget.

3. Authority

- 3.1. The CEO is responsible for the day-to-day financial management of TAL. The Board authorizes the CEO to hire and supervise staff and independent consultants, pay bills, receive funds, and maintain bank accounts.
- 3.2. The CEO is authorized to manage expenses within the parameters of the overall approved operating budget, reporting to the Board on variances.
- 3.3. The signing officers will be the CEO, the Finance Manager, the Treasurer, and one other Board member.
- 3.4. TAL maintains a bank account in USD to minimize the impact of foreign exchange.
- 3.5. TAL has a corporate credit card.
- 3.6. The CEO and the Finance Manager are the credit card coordinators required by the bank.
- 3.7. The CEO and Finance Manager are authorized to sign contracts, licenses, and agreements.

4. Accounting

- 4.1. The finances are managed in accordance with Accounting Standards for Not-for-Profit Organizations.
- 4.2. Assets with a planned useful life of at least 3 years, and a value equal to or more than \$3,000 will be capitalized.
- 4.3. Assets that have an individual unit value less than the corresponding capitalization threshold but have a significant value as a group will be treated as a single asset with one combined value in the accounting records.

FINANCE POLICY

4.4. Capital assets are recorded at cost. Amortization is calculated using the straight-line method as follows:

- Computer hardware 3 years
- Furniture & equipment 5 years
- Leasehold improvements 5 years

5. Reserves

5.1. The Board approves and defines internally restricted reserve funds for TAL.

- Capital Asset Reserve: to fund future capital purchases.
- Contingency Reserve: to offset operating costs which would be incurred if TAL ceases operations.
- Operating Reserve: to cover any deficits in the operating fund and to cover one-time unbudgeted expenses at the discretion of the Board of Directors. Any annual excess in income over expenses in the Operating Fund are transferred to the Operating Reserve.
- Project Reserve: to fund pilot projects and launch new services for TAL members.

6. Investments

6.1. Funds are invested to minimize exposure and risk.

6.2. Interest earned on internally restricted reserves is allocated to the Operating Fund.

7. External Funding

7.1. Administration costs for activities funded externally will be negotiated by the CEO and Finance Manager.

7.2. Funds received for administration of externally restricted programs will be recorded in the Project Reserve.

RELATED DOCUMENTS

- *Finance procedures*
- *External Funding policy*
- *External Funding procedures*
- *Membership Fee Principles*

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