



Policy Type: **Governance**

Policy Number: **GOV - 13**

Policy Title: **Reserves**

Initial Policy Approval Date: 19/02/2025

Last Review/Revision Date: N/A

Year of next review: 2027

This policy shall provide guidelines under which deposits and withdrawals will be considered to and from the Library Reserve and describes how other Reserves may be established.

Section 1: Authority

The Library Board may establish Reserves for any purpose for which it has authority to spend money, as described in section 417(1) of the Ontario Municipal Act, 2001, S.O. 2001, c. 25.

Section 2: Purpose

The Library Board Reserve was established primarily to hold funds as a result of the allocation of year end surplus or to fund deficit from operations.

The Library Board Reserve shall provide funds for emergency situations experienced by the CPPL, for unforeseen expenditures, for minor capital projects, for any project deemed in support of the library strategic plan or for any other purpose deemed appropriate by resolution of the board.

The Library Board Reserve may be used in an operating year where expenses are greater than revenues and a shortfall is expected. However, Reserves are not to be used to cover regular operating expenses in a sustained manner.

Section 3: Target

The Board shall endeavor to maintain a minimum balance equaling ten percent of annual operating costs.

Section 4: Contributions and Withdrawals

The fund shall be credited with 100% of any surplus (deficit) from operations on a yearly basis.

Any interest earned in the Library Reserve shall be treated as operating revenue.



All withdrawals from the Reserve should be via the budget process with pre-determined projects being placed in the process for Board approval. For unforeseen requirements, a resolution must be approved by the Board.

All transactions are subject to year-end audit and must follow adopted purchasing procedures in place at the time of the acquisition.

Section 5: Creation of new Reserves

New reserves or reserve funds may be established by amending this policy. A financial plan shall be prepared and approved by the Board which identifies need, target funding level (if applicable), funding sources, reporting requirements, and projected disbursements.

Section 6: Review

This policy shall be presented to the Library Board for review and update, if applicable, every four years, in the first year of each appointed Library Board, or as deemed necessary by the Library Board, CEO, or the Treasurer.

Related Documents:

Municipal Act, 2001, S.O. 2001, 417 (1) 2006, c. 32, Sched. A, s. 181; 2009, c. 34, Sched. I, s. 22.

Town of Carleton Place Reserve and Reserve Fund Policy

OP-09 Procurement Policy