

LIBRARY DEVELOPMENT FUND

PURPOSE

The City of Lethbridge Library Board has a mandate to provide library services to the city. The purpose of this policy is to provide a framework for Board decision making in regards to use of the Library's Development Fund.

The Board adheres to the following principles regarding management of the Library's financial obligations:

- **Accountability:** The Library is accountable to all stakeholders while adhering to legislative and policy requirements
- **Transparency:** The Library is responsible for conducting business in a manner that provides public transparency
- **Fiscally prudent:** The Library is responsible for accurately and appropriately managing funds to ensure no undue burden is placed on the taxpayer

PERSONS AFFECTED

Board Trustees/CEO

POLICY STATEMENT

The Library Development Fund is intended to support the Board's long-term planning as part of their mandate to deliver exemplary library services within the city.

The funds in the Library Development Fund are held in an interest bearing account by the City of Lethbridge, in conjunction with City funds, on behalf of the Library Board.

Contributions to the Fund consist of:

- Donations and funds raised for future library projects or service development.
- Grants with designated uses that may need to be carried over to subsequent fiscal years.
- Earnings derived from the investment of money held in the Fund.
- Any allocation from such other sources of revenue as may be determined by the Board, or as outlined in LB27 Investments & Endowment Policy.

The Library Development Fund shall be used for the following purposes:

- To carry over designated funds to the fiscal year in which they will be expended, and in accordance with any agreements, restrictions, limitations, conditions, terms of reference or directions on the use of the funds.
- To finance one-time or emergent operating expenditures not included in the operating budget, or special projects/initiatives as determined by the Board.
- For financing capital projects supporting the Board's strategic goals.
- As matching funding for grants to support library initiatives, programs and capital projects.

The Board may designate funds within the Development Fund for future projects to ensure those funds are used for designated purposes.

The Board will strive to retain a minimum balance of 10%, and a target balance of 15% of annual budgeted general library expenses in order to ensure good interest bearing potential and long-term sustainability of the fund. The balance may go below the minimum in the case of capital projects.

RESPONSIBILITIES

Use of the Library Development Fund will be determined by the Board based on recommendation from the CEO and Board Finance Committee, after considering the general financial position of the organization.

Library Management is authorized to expend designated funds from the Development Fund for the purpose they were accumulated without Board approval if it is within the approved budget.

The CEO reports on additions to and expenditures from the account on an annual basis.

REFERENCES

LB27 – Investments & Endowments Policy

REVISION HISTORY

- June 12, 2024: New Policy