

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **PRINCIPLE** | Sec 3, 1A

Reviewed: 2017/05/13 | Revised: 2017/05/13 | **Effective: 2017/05/13**

SECTION 3 – 1.A

PRINCIPLE

1. The Northern Lights Library System upholds the principle of:
 - a. responsible fiscal planning, and efficient procedures for the smooth operation of the financial practices of the System;
 - b. accurate records of the accounts of the System.
 - c. The Northern Lights Library System shall keep distinct and regular accounts of its receipts, payments, credits, assets and liabilities and shall have these accounts for each fiscal year audited by an independent public accountant. Such accounts shall be kept in accordance with generally accepted accounting principles.

NLLS Executive Board Chair

May 13, 2017

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **ACCOUNTING and AUDIT** | Sec 3, 1B

Reviewed: 2018/08/02 | Revised: 2018/11/03 | **Effective: 2017/05/13**

SECTION 3 – 1.B

ACCOUNTING and AUDIT

Accounting Records

1. All accounts and records shall be retained for a minimum of seven (7) years.

Audit

1. The financial records of the System shall be audited no later than February 1 of the year following the year under audit. The audited financial statement appears with the Annual Report of the Northern Lights Library System.
2. As stated in The Northern Lights Library System Agreement:
 - a) The System Board shall make an annual report on the operation of the System to each of the Parties to this Agreement and to each library board or advisory committee and to the Minister on or before May 31 in the year following the year to which the annual report relates.
3. Upon acceptance of the annual audited financial statement, the recommendations of the auditor will be reviewed and implemented where appropriate.
4. The Executive Committee may, from time to time, ask for bids on the Northern Lights Library System audit and may appoint a new auditor for the System.
5. The Board shall appoint the auditor annually at the Annual General Meeting.

NLLS Executive Board Chair

November 3, 2018

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **BANKING** | Sec 3, 1C

Reviewed: 2017/05/13 | Revised: 2017/05/13 | **Effective: 2017/05/13**

SECTION 3 – 1.C

BANKING

1. The Executive Committee, shall review the banking services every three (3) years or more frequently at its discretion.
2. A change in banking services shall be made by a motion of the Executive Committee.

NLLS Executive Board Chair

May 13, 2017

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **BORROWING BYLAW** | Sec 3, 1D

Reviewed: 2019/03/02 | Revised: 2019/03/02 | **Effective: 2019/03/02**

SECTION 3 – 1.D

BORROWING BYLAW

1. The Board as a whole may approve a loan, a line of credit or overdraft protection to cover an operating shortfall. Section 17 (a) (RSA 2000) of the Libraries Act states that a System Board may: “borrow from time to time for the purpose of defraying its operating expenses an amount not exceeding 50% of the amount expended by it during its immediately preceding fiscal year.
2. Borrowing money for structural needs must be approved through the Board as a whole when borrowing money as per Section 24 of the Libraries Act.
3. NLLS to apply for any available grants as applicable.
4. NLLS follows Canadian Accounting Standards for Not-for-Profit Organizations (ASNFP0).
5. NLLS’s fiscal year is January 1 – December 31, inclusive.

NLLS Executive Board Chair

March 2, 2019

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **SIGNING AUTHORITY** | Sec 3, 1E

Reviewed: 2022/10/04 | Revised: 2022/10/14 | **Effective: 2022/11/25**

SECTION 3 – 1.E

SIGNING AUTHORITY

1. Two (2) signatures are required on all cheques and online payments against any Northern Lights Library System (NLLS) bank accounts. At least one of the two signatures for these accounts shall be that of a designated Board Member.
2. In the event an authorized Board member's signature is not available in a timely manner, the Executive Director and the Finance Officer may sign a cheque upon email approval from the Board Chair or board signing authority if the Board Chair is not available.
3. Signing officers shall be the Executive Director or the Finance Officer, the Board Chairman and two (2) others from the Executive Committee.
4. The Executive Director and the Finance Officer shall have access to the safety deposit box.

NLLS Executive Board Chair

November 25, 2022

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **CORPORATE CREDIT CARDS** | Sec 3, 1F

Reviewed: 2021/03/30 | Revised: 2021/05/29 | **Effective: 2017/05/13**

SECTION 3 – 1.F

CORPORATE CREDIT CARDS

1. Credit cards issued by the System's bank in the System's name may be authorized by the Executive Director, Finance Officer, and Board Chairman for employees who travel regularly or make specific purchases where a credit card number is required. Credit cards may be used for budgeted expenses only.
2. Accumulative Credit Card limits are not to exceed \$50,000 for above noted accounts.
3. Fuel Credit Card limits are to be used for NLLS Vehicles only and are not to exceed \$5000.
4. The points accumulated from the Credit Card reward program will be allocated to the annual NLLS library conference and be reflected in the annual budget as income.

NLLS Executive Board Chair

May 29, 2021

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **BUDGET** | Sec 3, 1G

Reviewed: 2021/03/30 | Revised: 2021/05/29 | **Effective: 2017/05/13**

SECTION 3 – 1.G

BUDGET

1. The budget shall be consistent with Northern Lights Library System’s Plan of Service and the Board’s priorities.
2. NLLS shall present a three (3) year projected budget that follows the three (3) year Plan of Service.
3. The budget will direct funds to the building unrestricted funds, furniture/equipment unrestricted funds, various IT unrestricted funds, and/or vehicle unrestricted funds as deemed necessary.
4. The budget is prepared by the Executive Director, Finance Officer and other department managers.
5. First draft of budget to be reviewed by the Treasurer.
6. Proposed Budget presented to the Executive Committee in the last quarter of the year preceding the budget year.
7. The final draft of the budget is presented at a meeting of the Board by administration no later than November 30 in the year preceding the budget year. By approving the budget, the Board assumes responsibility for ensuring that the required revenue is forthcoming.
8. Budget estimates shall be sent to all participating councils, member library boards and school authorities after the approval of the Board.
9. The budget may be revised from time-to-time by the Executive Committee and submitted to the next Board meeting for approval.
10. The Executive Director has the flexibility to move operational funds as required between budget lines, if it falls within the overall approved budget of each section.
11. The Executive Director will note these reallocations with the monthly financials reporting.
12. Budget Process Timeline:

Timeline	Who is Responsible	Action
Feb	Executive Committee	Review Auditor Report
June	Executive Director	Gather input from department managers
July	Executive Director & Finance Officer	Review information
July/Aug	Executive Director & Finance Officer	Create proposed budget and send to Budget committee
July/Aug	Treasurer	Reviews and sends to Executive Committee
Aug/Sept	Executive Committee	Review and returns as necessary
Sept	NLLS Board	Preliminary approval
Oct	Treasurer & Administration	Budget Questions feedback
Nov	NLLS Board	Final Review and approval

NLLS Executive Board Chair

May 29, 2021

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **FINANCE FUNDS ACCOUNT** | Sec 3, 1H

Reviewed 2022/10/04 | Revised: 2022/10/14 | **Effective: 2022/11/25**

SECTION 3 - 1.H

FINANCE FUNDS ACCOUNT

Restricted Funds – used only for a non-capital purpose. (Operational & Contingency)

Unrestricted Funds – funds which can be accessed for capital purposes.

1. Movement of restricted funds to or from fund accounts must be accompanied by a motion from the Executive Committee or according to policy. The minimum levels of the fund accounts will be reviewed within the context of the budget. Northern Lights fund accounts are secured through NLLS's current bank accounts, guaranteed investment certificates (GICs), and other investments.
2. Movement of unrestricted funds must be accompanied by a motion from the General Board or according to policy,
3. The operating restricted funds may be used to offset operating expenses before taking out operating loans.
4. NLLS is not required to fund beyond the recommended minimum level.
5. The recommended minimum levels are reviewed yearly.
6. **Building Unrestricted Reserve Funds:**
Purpose: To provide for additions, replacements and repairs of a capital nature to the physical building and property of NLLS.
Recommended Minimum Level: \$250,000
7. **Contingent Liability and Consultation Restricted Reserve Funds:**
Purpose: To provide funds for possible severance or litigation payout not specifically covered by insurance and to pay for unbudgeted legal or other consulting services.
Recommended Minimum Level: \$50,000
8. **IT Information Technology Unrestricted Reserve Funds:**
Purpose: To acquire or replace storage devices, networking devices, computer hardware, software, network servers, client loaner equipment, NLLS and Library Fortigates, peripherals and other IT equipment of the sort required to maintain an automated organization.
Recommended Minimum Level: \$300,000 up to a Maximum \$750,000
Replacement Cost: A budgeted amount to cover current and future Computer Software, Hardware and Network Server costs shall be transferred to the Technology Reserve each year.
9. **Vehicle Unrestricted Reserve Funds:**
Purpose: To replace Northern Lights Library vehicles with the life of the vehicle being based on an estimation of resale value and reliability.
Recommended Minimum Level: \$90,000
An amount to be designated each year per vehicle up to a three (3) or five (5) year rolling vehicle acquisition and disposal plan, based on reliability and or safety record of the vehicle.
Replacement Cost: A budgeted amount for future vehicle replacement shall be transferred to the Vehicle unrestricted fund each year.

10. Restricted Operating Reserve Funds:

NLLS auditors will make fiscal year-end adjustments for the net change invested in capital assets and all other adjustments as needed from the Unrestricted Operating Fund. This fund can also be used to offset operational costs at the discretion of the Board and/or Executive Committee.

Recommended Minimum Level: \$350,000 (based on the potential cost of the largest municipality leaving the system)

NLLS Executive Board Chair

November 25, 2022

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **REQUEST FOR PURCHASE** | Sec 3, 1I

Reviewed: 2020/05/29 | Revised: 2020/08/21 | **Effective: 2017/09/09**

SECTION 3 – 1.I

REQUEST FOR PURCHASE

1. When purchasing on the basis of catalogue selection or bulk purchasing, NLLS will seek the best pricing.
2. Non-catalogue or bulk purchases exceeding \$2000.00 require a request for two (2) or more competitive quotes except in emergency cases, or in the case of automation- related purchases or where contracts exist for specified products or services.
3. When a higher priced item is selected, a written explanation shall be document explaining the reasons for the purchase.

OUTSIDE BUDGET LINE EXPENDITURES

1. Executive Director can spend from the Contingent Reserve fund up to 10,000 for emerging operations cost expense outside of budgeted items, if required and without prior Executive Committee approval.
2. Executive Director will report to the Board Chair that such an expense has occurred.

NLLS Executive Board Chair

August 21, 2020

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **GRANTS, SPONSORSHIPS and DONATIONS** | Sec 3, 1J

Reviewed: 2022/10/04 | Revised: 2022/10/14 | **Effective: 2022/11/25**

SECTION 3 – 1.J

GRANTS, SPONSORSHIPS and DONATIONS

The Executive Director and/or Board Chair or designate are authorized to apply for grants, seek and accept sponsorships and/or donations on behalf of Northern Lights Library Systems (NLLS).

Public Library Services Branch (PLSB) Rural Services Grant

Northern Lights Library System (NLLS) will administer the distribution of the Rural Services Grant funds each year to those libraries without a library board, subject to provincial funding and availability.

Each year the Counties and M.D.s will give NLLS direction on percentage of disbursements to those with multiple libraries. An administration fee of 1% will be charged upon receipt of the Rural Services Grant from the Public Libraries Services Branch (PLSB) to compensate for the management of funds.

NLLS shall release and disburse the Rural Services Grant to libraries when it has been received. If the Rural Services Grant has not been received, NLLS shall disburse the equivalent of up to 50% of Rural Service Grant funds to libraries no later than August 31 of each year, providing NLLS funds are available.

NLLS Executive Board Chair

November 25, 2022

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **INVESTMENTS** | Sec 3, 1K

Reviewed: 2018/08/02 | Revised: 2018/11/03 | **Effective: 2018/11/03**

SECTION 3 – 1.K

INVESTMENTS

1. Investment earnings are maximized through investment activities which at the same time minimize exposure and risk.
2. The Northern Lights Library Board recognizes the need for sound and prudent investment practices. The Board shall adopt policies and establish procedures to ensure that investment earnings are maximized through investment activities which at the same time minimize exposure and risk.
3. The Board authorizes the Executive Director and the Finance Officer to invest capital and operating funds not required for immediate disbursement according to the guidelines outlines below, and to dispose of any investment when necessary to meet expenditures or as prudent from an investment management point of view.
4. The Northern Lights Library Board from time to time may invest surplus funds:
 - a) In debentures or securities issued by the Government of Canada or of any province of Canada,
 - b) In debentures or securities, the payment of which is guaranteed by the Government of Canada or any province of Canada
 - c) In debentures or securities issued or guaranteed by any Schedule 1 chartered bank operating in Canada, treasury branch, and/or credit union.
 - d) In banker's acceptances of a corporation incorporated in Canada with background bank support of a Schedule 1 chartered bank.
 - e) All investments shall be with issuers that are "A" rated or better, as rated by the Dominion Bond Rating Service/Canadian Bond Rating Service.
 - f) Investments shall be awarded to the financial institution with the most competitive offering after taking into consideration the administrative costs involved and all the financial needs of the System.

NLLS Executive Board Chair

November 3, 2018

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 2

Subject: **FACILITY USE RENTAL** | Sec 3, 1L Appendix V

Reviewed: 2021/03/30 | Revised: 2021/05/29 | **Effective: 2018/04/03**

SECTION 3 – 1.L APPENDIX V

FACILITY USE RENTAL

1. Applicants requesting facility use must send in a fully completed Appendix V-Facility Use Application form
2. Use of space
 - a) on the Facility Use Application form.
 - b) Change of purpose after application approval must be submitted in writing to: NLLS Reception for consideration.
 - c) In an event of an emergency or act of God, please see cancellation below.
3. Cost
 - a) A rental rate will be assessed to the applicant as outlined on the Facility Use Application form. A \$50 deposit is due upon signing of the memorandum of agreement. (if required) The total amount is due the day of the event.
4. Food and Beverages
 - a) Catering arrangements are to be made directly with the NLLS reception.
 - b) Shared kitchen rental costs are separate
5. Cancellation
 - a) Cancellations prior to five (5) business days of the scheduled event will result in a full refund.
 - b) Cancellations within five (5) business days of the scheduled event will result in a refund of the amount paid minus the deposit.
 - c) Should the event require rescheduling due to an emergency or Act of God, and an alternate date cannot be agreed upon, a full refund will be returned to the applicant.
6. Facility details and fees
 - a) rental rates include the use of the space booked
 - b) all spaces include access to wireless internet
 - c) any electronic devices or meeting accessories will be charged over and above facility fee
 - d) meeting rooms will be rented and charged on an hourly basis
 - e) catering is not included in the rates
 - f) GST will be applied to all costs

7. Rental Rates based on fair market value

Facility Type	Set up Style	Equipment Required	Rental Rates
Big Board Room – Full	Square/U-shape/Row Seating	Laptop / Projector / Microphone / TV	\$35/hr or \$150 per day
Big Board Room – Half	Square/U-shape/Row Seating	Laptop / Projector / Microphone / TV	\$30/hr or \$120 per day
Small Board Room	Square/U-shape/Row Seating	Laptop / Projector / Microphone / TV	\$25/hr or \$100 per day
RISE Room	Classroom seating	Telecommunications	\$50/hr
Kitchen - shared			\$50/hr

(Library Board, ALTA or NLLS Board members and NLLS Employee(s) get a 50% discount)

NLLS Executive Board Chair

May 29, 2021

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 1

Subject: **NLLS LEVY ARREARS** | Sec 3, 1N

Reviewed: 2021/11/06 | Revised: 2021/11/27 | **Effective: 2019/03/02**

SECTION 3 – 1.N

NLLS LEVY ARREARS

Northern Lights Library System (NLLS) is funded through levy memberships. These levies are defined in our Master Agreement.

Non-Payment of the Municipal and/or Library Levy may result in the following actions:

1. 30 days in arrears
 - A letter is sent to the municipal council and CAO, and the library board chair with this policy attached, and informing them they have 45 days before their representative will be suspended from NLLS committees unless payment is received.
2. 60 days in arrears
 - A second notice of arrears and interest (at a rate of 2 percent/per month simple interest) invoice will be sent to municipal council and CAO, and the Library Board chair.
3. 75 days in arrears
 - The Municipal or Library Board representative will be suspended from NLLS committees until payment is received.
4. 90 days in arrears
 - Second interest invoice and third notice of arrears letter to be sent to municipal council and CAO, and the Library Board chair
 - Municipal or Library Board representative may be removed from NLLS committees and are placement representative may be elected, as needed.
5. 120 days in arrears
 - Library Services will be discontinued at this point.
6. 150 days in arrears
 - A letter will be sent to municipal council and CAO, and the Library Board chair asking to clarify their intention regarding their membership in the library system.
7. 180 days in arrears
 - Northern Lights Library will exercise their right to terminate the membership as per the Master Agreement.

NLLS Executive Board Chair

November 27, 2021

Date of Approval

STATEMENT OF POLICY AND PROCEDURE

Section: Finance | Chapter: General | Page(s): 3

Subject: **BOOK ALLOTMENT** | Sec 3, 1P

Reviewed: NEW | Revised: NEW | **Effective: 2022/03/04**

SECTION 3 – 1.P

BOOK ALLOTMENT

Northern Lights Library System (NLLS) understands that libraries, at their core, are dependent upon relevant, robust, and community centered collections. One of the primary roles of a library system is to ensure that libraries maintain their collections through regular acquisitions. To this end, the Book Allotment is comprised of a portion of the combined board and municipal system levy and set aside for collection development at member libraries.

1. The amount of the system levy set aside for Book Allotment purchases, as required by the membership agreement (schedule C, 1.2), is set by Board policy.
2. The Book Allotment will be \$2.15/capita of the membership levy.
3. All funds should be expended each fiscal year; however, libraries may rollover unexpended funds.
 - a) Beginning 2023 rollover funds not spent within the first quarter of the year will revert to the system's collection budget.
4. No purchases against Book Allotment funds will be permitted in the month of December, to accommodate fiscal close.
5. Purchases may be made through NLLS's acquisitions specialist or directly by the library.
 - a) Purchases made directly by the library are known as outside purchases.
 - b) Outside purchases will be reimbursed to the library or a designated employee through Electronic Funds Transfer only and with proper submission of an outside purchase form with receipts.
6. Items eligible for Book Allotment purchase include:
 - a) Print materials of various formats
 - b) Audiobooks in various formats
 - c) Digital media in physical and electronic formats
 - d) Electronic books and audiobooks (i.e. Overdrive, etc.)
7. Materials purchased with book allotment funds must be shared with system members.
8. Libraries are strongly encouraged to expend Book Allotment funds on print materials and to allocate other funding for electronic resources or ebooks when possible.
9. System members with more than 1 library (generally counties) may direct book allotment funds between their libraries at their discretion.
 - a) Funding ratios must be provided to NLLS administration prior to March 30th of each calendar year.
 - b) Where members do not specify funding ratios the funds will be divided equally between eligible libraries.

NLLS Executive Board Chair

March 4, 2022

Date of Approval

APPENDIX L -

Northern Lights Library System Library Board Conditions Under Which Library Resources Will Be Loaned Policy

The intent of this policy is to make the widest possible selection of library items available to all patrons of the Northern Lights Library System (NLLS) Community Library, and to ensure that library items are returned in good condition and in a timely manner. The NLLS Community Library will uphold the obligations of participation in the Northern Lights Library System, the Alberta Library (TAL) Card program, and the ME Libraries Program.

1. A cardholder must present his or her library card to borrow materials. Cardholders must give prior written approval for anyone else to pick up materials on their behalf.
2. All hard copy materials may be borrowed for a period of three (3) weeks.
3. Digital resources not provided by the library system may be borrowed for a period of time as stipulated by the content provider.
4. Interlibrary Loan (ILL) items may normally be borrowed for a period of three (3) weeks. This loan period may vary for out-of-system loans, as stipulated by the loaning library.
5. Items in the reference collection or items deemed by the Library Manager to be irreplaceable may not be borrowed.
6. A maximum of two renewals per item are permitted.
 - a. An item may not be renewed if another cardholder in the library system has placed a hold on that item.
 - b. Renewals may not be possible for ILL items.
 - c. Extended due dates may be granted at the discretion of the Library Manager or his designate in the event of holiday travel, anticipated hospitalization or recuperation, or other foreseeable absences.
7. Renewals may be made in person, over the phone, or via the Library's online catalogue.
8. It is the responsibility of cardholders to ensure items are returned on time.
9. Cardholders are encouraged to inform the library immediately about lost items.
 - a. The cardholder may be charged the purchase price of the book as listed in the library's integrated library system (ILS).
 - b. Replacement charges may be waived at the library staff member's discretion (for instance, if an exact replacement copy in new or pristine condition is provided by the cardholder).
 - c. If an item is found by a cardholder after the replacement costs have been paid, that item becomes the property of the cardholder and cannot be returned to the library for reimbursement.
10. A cardholder's borrowing privileges may be suspended when their total fines are equal to or greater than ten (\$10.00) dollars.

APPENDIX M -

Northern Lights Library System Board Confidentiality of User Records Policy

Northern Lights Library System and its board and staff are subject to the Libraries Act and Freedom of Information and Protection of Privacy Act (FOIP).

1. No records are kept of the frequency or content of visits to the library by specific patrons.
2. No records are kept of a cardholder's item checkout history, unless the cardholder has given written permission for this record to be kept. If this record is kept, it is subject to disclosure with the cardholder's other records under the conditions described in points 3 and 7 below.
3. Library staff, board members, and volunteers will not disclose a patron's personal information to a third party without the individual's consent, except:
 - a. in response to a subpoena, court order or another specific written request from a law enforcement agency to assist in an investigation
 - b. in partnership with other Alberta libraries and library systems for the purposes of sharing materials under conditions defined in existing resource sharing agreements and programs (e.g. interlibrary loan agreements, TAL Card, ME Libraries), collecting fees or fines, and retrieving borrowed materials.
 - c. for the purpose of contacting next of kin or emergency response personnel in the case of an emergency
4. Cardholders will sign a form acknowledging that their contact information will be available to other organizations for these purposes.
5. No patron information, including their presence in the library, will be given over the phone.
6. Staff and volunteers are to keep confidential the reading and viewing habits of individual patrons.
7. Upon request, a library patron will be given access to all information concerning their records that the library has on file. Access to a user's records is limited to that user except where the user is a minor, or if the user has given written permission for someone else to access their records. Where a parent or guardian's signature is required for a cardholder to obtain a library card, that parent or guardian may have full access to the cardholder's records for retrieval.