

COMMITTEE: Finance & Audit
TOPIC: Equipment Leases

PASSED: 26 October 2017
AMENDED: 28 September 2023
REVIEW PERIOD: 5 years

PURPOSE

To detail and affirm the North Vancouver District Public Library (Library) adoption of District of North Vancouver (“District”) equipment lease standards that apply to both the District and partner agencies.

POLICY

No equipment leases or long-term rentals (more than 6 months) will be initiated by the Library without the approval of the Chief Financial Officer (CFO) or designate.

Leasing will only be considered primarily if it provides a clear financial and/or operating advantage.

The Director of Library Services must submit a business case to the CFO or designate that demonstrates the financial advantages of equipment leasing over purchase. *(Signing authority will be based upon the purchase price of the equipment, not the sum of the lease payments.)*

BACKGROUND

Long-term leases are subject to Public Sector Accounting Standards (PSAB) and generally reported as obligations under Capital leases. As a result, the District or any partner agency that enters into an equipment lease or long-term rental agreement potentially affects District Council’s debt servicing limits and approval-free liability zone for debt financing as evidenced in the Municipal Liabilities Regulation of the Community Charter.

Further, the District’s cost of leasing through the Municipal Finance Authority (MFA) is significantly lower than what can otherwise be obtained in the private lending market. In this environment it is also often better to purchase rather than lease equipment through the MFA depending on the District’s prevailing investment portfolio rate of return.

RESPONSIBILITIES

Board Members

- Support this policy and procedures

Chief Financial Officer or designate

- Supports this policy and procedures

Director of Library Services

- Supports this policy and procedure