



POLICY: FINANCE – EQUIPMENT LEASES

POLICY #: B-FIN-14

COMMITTEE: Finance & Infrastructure

PASSED: 26 October 2017

TOPIC: Equipment Leases

AMENDED:

REVIEW PERIOD: 5 years

PURPOSE

To detail and affirm the North Vancouver District Public Library (Library) adoption of District of North Vancouver (DNV) 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 or designate.

Leasing will 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 Chief Financial Officer or designate that demonstrates the advantages of lease over purchase. *(Signing authority will be based upon the purchase price of the equipment, not the sum of the lease payments.)*

BACKGROUND

Longer 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 impinges on District Council’s debt servicing limits and asset free zone for debt financing as evidenced in the Municipal Liabilities Servicing Regulation of the Community Charter.

Further, the District’s costs of leasing through the Municipal Finance Authority (MFA) are significantly lower than what can otherwise be obtained in the general market. In this environment it is also often better to purchase than lease through the MFA depending on the District’s 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 procedures