

POLICY: **FINANCE POLICY –  
EQUIPMENT REPLACEMENT RESERVE**

POLICY #: **B-FIN-08**

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| COMMITTEE: | Finance & Audit               | PASSED:        | 28 May 2015 |
| TOPIC:     | Equipment Replacement Reserve | AMENDED:       |             |
|            |                               | REVIEW PERIOD: | 3 -5 years  |

## PURPOSE

To provide guidelines for the maintenance and sustainability of the Equipment Replacement Reserve (“Reserve”).

## POLICY

The Library shall maintain the Reserve at a level that reflects the expected life cycle of existing equipment. The Reserve provides for the replacement of furniture, vehicle and information technology (“inventoried equipment”)

Transfers from the Reserve shall be included in the capital budget submission annually and approved by the Board.

All transfers to and from the Reserve are subject to Council’s approval of the Financial Plan Bylaw.

## BACKGROUND

The Library has established a Reserve which is used to accumulate funds for the replacement of inventoried Library equipment. The Library makes contributions to the Reserve as part of its annual operating budget submission.

## RESPONSIBILITIES

### Board Members

- Support this policy and procedures
- Receive the recommendation of Finance & Audit Committee (FAC) and approve, by motion, the capital budget submission inclusive of items funded from the Reserve and the operating budget submission inclusive of the contributions to the Reserve

- Receive the recommendation of FAC and approve, by motion, the level of the Reserve

#### **Finance & Audit Committee**

- Reviews the capital budget submission inclusive of items funded from Reserve and the operating budget submission inclusive of contributions to the Reserve and makes recommendations to the Board for approval
- Reviews the level of the Reserve for adequacy and makes recommendation to the Board

#### **Chief Financial Officer (CFO)**

- Works with the Director of Library Services on an annual basis to determine the appropriate level for the Reserve based on inventoried equipment
- Provides input/comments to FAC on the proposed uses, funding and level of the Reserve

#### **Director of Library Services**

- Works with the CFO on an annual basis to determine an appropriate level for the Reserve based on inventoried equipment
- Proposes to FAC the uses, funding and level of the Reserve
- Prepares the capital budget submission inclusive of items to be funded from the Reserve and the operating budget submission inclusive of contributions to the Reserve