

**Category:** Finance

**Policy Number:** 3-2

**Policy Name:** Operating and Capital Budget Approval Process

**Revision:** 2.0

**Purpose:**

To describe the process and accountability for preparing and approving the annual budget of the WPL Library Board.

**Policy:**

The following process describes the WPL annual budget cycle:

*Operating Budget*

The Manager, Finance and Facilities and CEO review the current year's figures and determine appropriate estimates for the next budget year.

Beginning January 2007 the Library and the City of Waterloo negotiated a Funding Agreement. This agreement stipulates the level of yearly funding that the city will allocate to the Library for operations according to an agreed upon funding formula. The agreement is renegotiated every 4 years and can be either renewed or terminated after the 4 year term by either party with a 6 months' notice.

The operating budget must allocate at least 15% of the funding received from the City for collections.

Budget files are maintained to document all information regarding the process used to establish the amount for each budget line.

A draft budget is prepared by the Manager, Finance and Facilities and the CEO and presented to the Finance and Resources Committee who review the information and presents the draft budget to the Board along with recommendations. The budget is then submitted to Council for approval as part of the City's Budget Process.

Quarterly, the Resource Committee receives a budget status and variance report from the Manager, Finance and Facilities and the CEO and in turn carries the budget status and variance reporting to the Board for its acceptance.

*Capital Budget*

Every City budget term, the City of Waterloo allocates an amount to the Library to be used for capital expenditures in the next 3 years and also provides a Capital forecast for the next 10 years. The library considers new projects within the given levels making sure first that enough funds are allocated for the replacement of fixed assets in accordance to their depreciation schedules.

Capital Budget Project Sheets are prepared, received and recommended to the Board for approval and then presented to Council for all new capital requests.

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The new budget is approved by Council with or without amendments.

**Document Revision Record:**

Revision Level	Revision Date	Change
1.0	June 26, 2003	Initial release
2.0	May 28, 2014	Reviewed & Updated

**Approval:**

CEO	Board Chair	Date
..... Laurie Clarke	..... Helen Kaluzny	May 28, 2014