

Category:	Finance
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1.0 General

Waterloo Public Library's financial affairs are to be managed responsibly using ethical practices in compliance with all relevant legislation.

The Library will not incur a deficit in the operating or capital budgets in any fiscal year without appropriate approval of the Waterloo Public Library Board or the City of Waterloo.

The financial year of Waterloo Public Library runs from January 1 each year until December 31.

2.0 Controls

The CEO and Manager, Finance shall approve all forms, documentation and processes used for recording and substantiating all financial transactions.

The CEO and Manager, Finance shall maintain satisfactory internal controls to ensure all employees carry out the terms of this policy.

3.0 Purchasing

3.1 Purchase Orders and Invoices

Purchase orders are required for all transactions between \$1,000 and \$50,000. Purchase orders are also required for the purchase of gift cards or the issuance of honorariums in any amount. Purchase orders under \$3,500 are signed by the budget manager, purchase orders over \$3500 must be signed by two signers.

3.2 Procurement

Purchases over \$50,000 require open competition. For purchases in excess of \$50,000 The Library will follow the procurement processes outlined in the City of Waterloo's [Purchasing By-Law](#) (*By-Law No. 2019 to establish policies for the procurement of goods and services by the City*).

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- WHERE the By-Law refers to “*the City*” it should be interpreted for the purposes of the Library as “*the Library*.”
- WHERE the By-Law refers to “*the CAO*” it should be interpreted for the purposes of the Library as “*the CEO*.”
- WHERE the By-Law refers to the “*CFO*” or “*the Director of Procurement*” it should be interpreted for the purposes of the Library as “*the Manager, Finance*.”
- WHERE the By-Law refers to “*commissioners*” it should be interpreted for the purposes of the Library as “*the Deputy CEO*.”
- WHERE the By-Law refers to “*directors*” it should be interpreted for the purpose of the Library as “*Library Managers*”.

Library Board members may not independently approve nor acquire any goods or services for the Library.

Library Board members are subject to the requirements of the [Municipal Conflict of Interest Act \(RSO 1990, c. M.50\)](#) and shall have no pecuniary interest in any contract, tender, proposal or quotation for the supply of goods or services to the Library.

3.3 Spending Authorizations

\$1 to \$49,999: Spending is authorized by division leaders who manage budgets. Purchases in this category are not subject to the conditions of the [City of Waterloo Procurement By-Law 2019](#).

\$50,000 to \$100,000: Competitive bids are solicited from a minimum of three (3) bidders where the purchase warrants this under City of Waterloo By-Law 2019. [\(See Schedule A of City of Waterloo Procurement By-Law for purchasing exemptions.\)](#)

\$100,000 to \$499,999: Open competitive procurement process as outlined in the [City of Waterloo By-Law 2019](#).

\$500,000+ Subject to the open and competitive procurement process outlined in the City of Waterloo By-Law 2019 and must be reviewed by the Library Board.

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3.4 Payment Signing Authority

The CEO is authorized to act on behalf of the Board as the legal purchasing agent for the Waterloo Public Library.

Only authorized signing officers of the Board can sign payments on behalf of the Library. Signing officers include the Board Chair, Board Vice Chair, CEO and the staff members designated by the CEO.

Cheques for payments of \$3,499 or less will be signed by one authorized signer.

Cheques for payments of \$3,500 or more must be signed by two authorized signers.

Signers may not sign for payment reimbursements for themselves. Reimbursements to staff must be signed by a staff member in a senior to the staff member making the claim. Personal reimbursements submitted by the CEO are to be signed by the Board Chair or Vice Chair.

3.5 Purchase Cards

Staff routinely responsible for making purchases on behalf of Waterloo Public Library may be eligible for a purchase card. For those staff assigned a purchase card, the card is the preferred method of payment for low cost purchases (under \$1000 per transaction).

Purchase cards may be assigned to designated staff members for the exclusive purpose of purchasing on behalf of Waterloo Public Library.

3.6 ESG (Environmental, Social and Governance) Purchasing Considerations

Staff members who make purchases on behalf of Waterloo Public Library are expected to do so with consideration for how they are spending public money.

The following factors should be considered holistically when making purchase decisions:

- Value
- Quality and projected life expectancy of the product
- Accessibility (at minimum to the standards of AODA (Accessibility for Ontarians with Disabilities))
- Canadian made / distributed
- Locally made / distributed
- Sustainably made / sourced

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- Ethically made / sourced
- Supports businesses of equity deserving groups

3.7 Petty Cash

Petty cash funds may be established within division budgets. Managers of divisions are authorized to reimburse funds from petty cash upon delivery of receipts. Petty cash payments for any individual purchase shall not exceed \$50.

3.8 Legal Review

All contractual agreements that exceed \$100,000 will be reviewed by legal counsel, who shall provide written confirmation of the review and the acceptability of the agreement.

4.0 Operating and Capital Budgets

The terms of operational and capital funding for Waterloo Public Library are described in the operating agreement the Library holds with the City of Waterloo.

On an annual basis, the CEO and Manager, Finance will prepare an operational budget that is brought to the Finance committee of the Board for discussion and to the Board committee of the whole for approval.

The CEO will be responsible to ensure that:

- Expenditures do not exceed the total approved operating budget
- Expenditures are reviewed regularly to address shortfalls
- Anticipated expenditures over-budget are reported to the Board in a timely manner

On an annual basis, the Library will work with the City of Waterloo to prepare a capital forecast. The Library will prepare and submit a proposed capital budget that has been approved by the Library Board, in accordance with the City's budget process.

4.1 Budget Variance Approval Limits

Where service levels and commitments are not compromised by doing so, surplus funds from one line of the operating budget may be transferred to a different line. The overall amount approved for the budget total may not be exceeded without board approval.

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The CEO may authorize operating budget variances between budget lines up to and including \$50,000. Operating budget variances above \$50,000 must be approved by the Board.

Reallocation of capital funds between projects requires the approval of the City of Waterloo.

4.2 Operating Reserve and Special Project Funds

Where a fiscal year ends with surplus funds, such revenue can be directed to designated reserve funds for specific purposes OR can be allocated to the operations reserve fund.

The Board will approve the allocation of funds to a specified reserve fund and will direct the terms under which those funds can be spent.

The Board will approve the transfer of funds from the operations reserve fund.

Funds collected through donations and grants for specific purposes will form their own funds and will be spent in accordance with the conditions under which they were received.

4.3 Monitoring

The financial reports of the Library will be reviewed quarterly and brought to the Board for information.

5.0 Audit

In accordance with the [Municipal Act, 2001 s. 296](#) the accounts of the Library shall be audited by an external auditor that is appointed by the municipality each year. The audit will be presented to the Finance committee who will bring it to the Board for approval.

6.0 Tangible Capital Assets

The City of Waterloo Tangible Capital Assets Policy prescribes the accounting and financial reporting treatment of tangible capital assets for all departments of the City of Waterloo. Waterloo Public Library applies this same policy to its accounts of tangible capital assets in accordance with PS 3150 and PSG-2 (Public Sector Guidelines).

6.1 Asset Classes

The following asset categories are specific to the Library:

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- Shelving and furniture
- Specialty and other equipment
- Computer and other technology hardware
- Collection materials

6.2 Capitalization Thresholds

Tangible capital assets will be capitalized when the individual unit cost meets or exceeds the following thresholds:

- Building and building improvements: \$10,000
- Shelving and furniture: \$5,000
- Specialty and other equipment: \$5,000
- Computer hardware and software: \$5,000
- All other assets with an individual cost of \$5,000

Collections: Individual items of resource materials in collections have a unit value below a reasonable capitalization threshold on their own but have significant material value as a group.

The Collection is capitalized as a pooled asset and includes books (hardcover, softcover) and audio-visual materials.

Electronic resources, magazines and other periodicals are not included in this asset group as their useful life is typically less than one year as individual items are renewed by annual subscription or replaced by more current issues.

6.3 Useful Life

Estimates of the useful life will be determined based on reasonable assumptions and in consideration of such factors as outlined above. The estimated useful lives shown here are intended to apply to assets in new condition. When used assets are acquired the estimated useful lives should be reduced based on the age and condition of the asset.

Asset categories are assigned useful lives as follows:

- Shelving: 25 years
- Furniture: 10 years
- Specialty and other equipment: 10 years
- Computer hardware: 3 Years

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- Collections (pooled asset) 7 years

7.0 Authority for Write-offs

The CEO is authorized to write off an outstanding account of \$10,000 or less owing to the Library as uncollectible provided that reasonable efforts have been made to collect the outstanding amount.

Write-offs of accounts owing to the Library of more than \$10,000 must be approved by the Board.

8.0 Investment of Library Funds

When the Library holds funds (ex. operating surplus, future project funds) where cash is not immediately required, the Library may choose to invest these amounts.

Consistent with [City of Waterloo Policy FC-024 Investment Policy](#), investment of Library funds will pursue the following objectives:

- Meet the legislative requirement of the Municipal Act and other regulation.
- Preserve principal and ensure that default of the principal does not occur.
- Maintain adequate liquidity by ensuring that investment instruments are easily converted to cash.
- Maximize the rate of return on the investment portfolio with due consideration for minimizing risk.
- Actively support ESG investments.

9.0 Responsibility for Related Policies and Procedures

The Chief Executive Officer will develop or delegate responsibility for the development of policies and procedures related to management of activities that generate and expend funds.

These include:

- Membership
- Room Rentals

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- Disposal of Surplus Assets
- Reimbursement of Expenses
- Travel reimbursement
- Inventory control and asset management

Document Record

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n/a	Reviewed