



Reserve Policy

Purpose

The Stony Plain Public Library Board recognizes that good fiscal management practices consider the creation of reserve funds for unexpected or long-term expenses.

Funds

The SPPL will maintain the following internally-restricted reserve funds:

1. Operational Reserves
 - a. The purpose of this reserve is to offset operating costs which would be incurred due to funding delays or if the Library should cease operations.
 - b. This fund will contain a maximum of 6-months operating budget.
 - c. Funds will be added to this reserve by motion of the board after the review of the previous-year's financial statements.
 - d. Funds will be moved from this reserve by motion of the board given the purpose of using this reserve is met as outlined above.
2. Professional Reserves
 - a. The purpose of this reserve is to offset legal, and/or other professional fees not included in normal budgeted operations.
 - b. This fund will contain a maximum of \$10,000. This number will be reviewed annually to adjust for inflation as needed.
 - c. Funds will be added to this reserve by motion of the board after the review of the previous-year's financial statements.
 - d. Funds will be moved from this reserve by motion of the board given the purpose of using this reserve is met as outlined above. The motion can be conducted via email should the situation require expediency.
3. Capital Reserves
 - a. The purpose of this reserve is to fund future technology, furniture and equipment purchases.
 - b. This fund will contain a maximum of \$100,000.
 - c. Funds will be added to this reserve by motion of the board after the review of the previous-year's financial statements.
 - d. Funds will be moved from this reserve by the Director for capital purchases under \$5,000, or by a motion of the board for purchases over \$10,000.

Passed: May 2024

Amended: -

Reviewed: -