



IslandLink Library Federation Reserve Funds Policy

Policy Background:

The Federation has a commitment to its member libraries to maintain programming, to plan ahead and to explore new opportunities to meet the Federation's strategic priorities.

Due to the unpredictable nature of the Federation's revenue stream, it is prudent to maintain adequate reserves to meet obligations to our member libraries in order to:

- cover a delay in the receipt of the annual Provincial operating grant
- maintain adequate reserve funds to ensure an orderly shutdown of the Federation in the event of a discontinuation of the annual operating grant
- meet strategic priorities and project grant obligations.

Policy Goal: To maintain 6 months of operating funds.

Policy Objective: To maintain a reserve fund of \$60,000.

Approval for Use of Reserve Funds:

The IslandLink Manager, in consultation with the Library Directors Advisory Group, can approve expenditures up to \$30,000 of the reserve fund. Additional expenditures must be approved by the IslandLink board. Use of reserve funds will be reported to the board by the first upcoming board meeting with a plan for how the reserve funds will be replenished.

Budget Surplus:

Any budget surplus over the cap amount of \$60,000 will be dispersed within one year with board approval.

Approved Oct. 29, 2016