

PEACE LIBRARY SYSTEM		RESERVES
CATEGORY:	Finance	POLICY: F3-23
DATE APPROVED:	21 September 2024	REVIEW IN: 2027

Peace Library System may establish, maintain and manage reserve funds to provide for future operating and capital requirements and to offset unanticipated fluctuations in operating activities.

Reserves may be established for specific purposes of both an operational and capital nature.

An operating reserve of up to two months of operating expenditures may be maintained.

Reserves will be capped at the following amounts:

Operating:	\$500,000
Technology:	\$250,000
Vehicle:	\$100,000
Furnishings/Equipment:	\$50,000
Building:	\$500,000

Interest earned on invested capital reserves will be put back into the fund that earned the interest, except in case of a Board motion reallocating that interest to another capital fund or the operating budget.

Assets over \$500 will be capitalized. Assets under \$500 may be capitalized at the discretion of the Chief Executive Officer.

Proceeds from the sale of assets will be deposited in the appropriate capital reserve.

All requests to use reserve funds or to re-designate reserves must be approved by means of a motion passed by the Board. Requests to use reserve funds may also be submitted and approved in advance as part of the annual budget process.

The Board's current reserves are defined in Schedule A.

Chair's Signature: _____

Schedule A

PEACE LIBRARY SYSTEM APPROVED RESERVES

OPERATING RESERVE

Funds from this reserve are to be used for one-time expenditures of an operating nature or to offset unanticipated fluctuations in operating activities.

Operating Reserve funds may be transferred to Capital Reserves at the discretion of the Board.

CAPITAL RESERVES

Technology Reserve

Funds in the Technology Reserve may be used to purchase or lease computer hardware and software and other IT-related equipment required to maintain an automated environment with a value of over \$500 and, at the discretion of the board, may be used to pay other expenses to enhance technology-based services.

Vehicle Reserve

Funds in the Vehicle Reserve may be used to purchase or lease System vehicles and may be used to pay associated expenses such as delivery costs and extended warranty.

Furnishings/Equipment Reserve

Funds in the Furnishings/Equipment Reserve may be used to purchase or lease furniture and equipment (other than computer equipment) with a value of over \$500 and may be used to pay associated expenses such as shipping and installation.

Building Reserve

Funds in the Building Reserve may be used to pay for the repair, maintenance, or enhancement of the headquarters building on amounts over \$500.