

<b>Title</b>	Donation and Bequest Reserve Fund Policy
<b>Policy Number</b>	CPL-20-27
<b>Policy Type</b>	Operational
<b>Approval Date</b>	November 21, 2022
<b>Review Date</b>	November 2024
<b>Notes</b>	Originally adopted November 16, 2020

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## Purpose

The Caledon Public Library Board Donation and Bequest Reserve Fund has been established by the Town of Caledon to receive and hold donations and bequests received by the Caledon Public Library until utilized to support special programs or initiatives outside of the annual operating budget. The purpose of this policy is to provide Caledon Public Library with guidelines for the management of reserves, including the relevant roles, responsibilities and authorities granted to the Board and Management.

## Guidelines

The following provides an overall framework and the terms of conditions for the management and use of the Library's Donation and Bequest Reserve:

### *Administration of Reserve Fund*

- The Library's Donation and Bequest Reserve Fund will be an interest earning reserve to be administered by the Town's Finance division.

### *Contributions to Reserve Fund*

- Unexpended funds raised in any given year shall be transferred to the Donation and Bequest Reserve Fund at the end of that fiscal year.

### *Allocation of Reserve Funds*

- Like all reserve funds held by the Town, allocation of the reserve will be managed in alignment with relevant Town finance and procurement policies.
- As per the *Caledon Public Library Fundraising and Gift Acceptance Policy (CPL-18-23)*, donations and bequests are welcomed for "the purpose of enhancing and enriching the programs and services that the Library provides for the residents of Caledon". As such, unrestricted donations and bequests should not be used to pay for utilities, building maintenance, administrative expenses, or other expenses typically supported by the Library's annual operating budget.

- Funds will be allocated in accordance with any documented direction or conditions stipulated by the donor. Library Management is authorized to expend designated reserves for the purpose they were accumulated without Board approval.
- All expenditures of undesignated reserves funds require Library Board approval. Such approvals may be provided for individual disbursements or through the adoption of a reserves allocation plan, identifying and formalizing planned expenditures in support of a specific project or initiative. Such plans shall detail any authority to expend reserve funds that is delegated to the CEO/Chief Librarian or designate.
- Staff will provide the Board with a summary of all disbursements from the Donation and Bequest Reserve twice annually.
- The Library may reflect the application of reserve funds to support proposed capital projects, and offset municipal contributions, as part of the Library's annual budget proposal to the Town.

### **Related documents**

- CPL-18-23 Fundraising and Gift Acceptance Policy
- Town of Caledon Purchasing By-law