

PURPOSE

To confirm the Federation of Ontario Public Libraries' commitment to ensuring fiscally responsible management of the corporation and to clarify appropriate procurement practices and fiscal controls.

APPLICATION

The Financial Policy applies to all FOPL employees, contractors, consultants, members of the Board or its Working Groups, Committees, or Project Teams and volunteers.

DEFINITIONS

ED:	The FOPL Executive Director
FOPL:	Federation of Ontario Public Libraries
GREEN:	Is any product which is environmentally friendly such as energy efficient, sourced or produced in an environmentally ethical manner.
TPL:	Toronto Public Library
VoR:	Vendor of Record
Workplace:	The FOPL office and any location of FOPL meetings or business.

COMMITMENT

Procurement by FOPL

- FOPL will use an open, accountable, fair and efficient process for procurement and
- FOPL will procure goods and services from responsible suppliers who follow ethical standards and who supply "green" products, when and where it is deemed appropriate.
- Board members, Executive Consultants, and employees must declare pecuniary interest in any proposal, contract, tender, or quotation for the supply of goods and services to FOPL, whenever there may be a direct or indirect interest in said work or project.

1. **Competitive Process**

1.1 All items below \$15,000 do not require a competitive process. Items between \$15,001 to \$50,000 require informal quotes with at least 3 bids solicited. Items above \$50,001 are subject to a full competitive process that includes Request for Proposals (RFP), or Bid and Tender. Items under \$50,000 may also be subject to a full competitive process at the discretion of the Board or Executive Director.

2. **Request for Proposals**

2.1 An RFP shall include set criteria for the proponents to respond to and shall be publicized for no less than two (2) weeks via the FOPL website. The closed envelope evaluation process shall include a committee to screen, independently evaluate, and consensus rank the proposals according to the criteria. The lowest bidder need not be awarded. The proponent who scores the highest shall be awarded, based on the criteria set in the proposal. The binding party shall be the ED or Board, depending on Section 4 Authority to Award.

2.2 Bid and Tender are requests for a closed envelope bid. The lowest complete bid to address the complete needs as set out within the posting shall be selected.

2.3 No contract or purchase may be divided to avoid any requirements of this procedure.

3. **Sole Sourcing and Single Sourcing**

Sole sourcing and single sourcing may occur when items are less than \$150,000, providing the ED gives notice to the Board at the next regularly scheduled meeting following the purchase. For approval of items in excess of \$150,000, a request, with rationale, must be submitted to the Board prior to making the purchase. Approval will require a successful motion.

4. **Vendor of Record (VoR)**

A Vendor of Record (VoR) list may be developed by FOPL via a competitive process.

4.1 Such VoR arrangements may not exceed a three-year commitment but may be renewed following a subsequent competitive process.

4.2 FOPL may also select a vendor from pre-selected VoR lists provided by the Ontario Government, the Ontario BMPL Services (OLS), The City of Toronto, and/or TPL.

5. ~~The Board accepts the procurement policy of TPL, if TPL is procuring on FOPL's behalf.~~

Authority to Award and Bind

Following the procurement process:

1. The ED shall authorize payments for any item or expense within approved budget lines.
2. The ED shall award and bind any contracts under \$150,000 including contracts selected through RFP processes.
3. The Board shall award and bind any contracts above \$150,000.

Financial Authority

1. The ED, Board Chair, Vice Chair, Treasurer, and Past Chair shall be signing officers on all Board held bank accounts.
 - 1.1 Two signing members must approve release of funds.
 - 1.2 In the event of payments to the ED, two signing officers, not including the ED, must approve the release.
2. Approval of release of payments will be by electronic means where possible. Where online banking is not available for signing access, the ED shall receive written approval as a statement by signing officers and shall retain said notice.

3. The ED may apply for and bind any grants deemed appropriate for the operations of the FOPL.
4. The ED may accept donations of cash, in-kind, or materials to support the operations of the FOPL.
5. The ED shall be the signing officer for contracts with vendors and granting agencies.
6. Limitations and Authorities granted to contract employees may be further defined in "Contracts for Service".

Reallocation of Budget

1. The ED shall have the authority to reallocate up to ~~\$10,000~~20,000 within the approved operating budget.
 - 1.1 Board resolution is required for any reallocation exceeding ~~\$10,000~~20,000.
 - 1.2 Reallocation or adjustments which impact the bottom line of any individual budget (e.g. operational, capital, minor capital, or employment) require Board resolution.

Authorization of Reserve Accounts and Surplus Funds

- ~~1. The ED may authorize the annual roll-over of any unused funds or interest into the next fiscal year.~~
- ~~2. Board resolution is required for authorization of all Board investments.~~

The purpose of the Reserve Fund, named internally as the Restricted Funds Account, is to ensure the financial stability and operational continuity of the Federation of Ontario Public Libraries.

1. Target Level of Reserves

The organization will maintain a reserve fund in the Restricted Funds account. The target amount is **12 months** of average monthly operating expenses, calculated using the most recently approved annual budget.

The board acknowledges that recommended sector practice for Canadian non-profits generally falls between 3–6 months, and up to 12 months for organizations with significant revenue volatility or essential service obligations. The exact target chosen reflects FOPL’s funding model, cash-flow risk, and operational needs.

2. Authorization for Use

Use of the Restricted Funds requires:

- Approval from the Board prior to the withdrawal of funds.

- A documented rationale demonstrating the need (e.g., cash-flow shortfall, urgent operational need, strategic opportunity, capital project), and

Withdrawals will be documented via the Treasurer's report at the next scheduled meeting board meeting. Withdrawals may not reduce the reserve below 6 months of average operating expenses without Board approval.

3. Replenishment of the Reserve

The Restricted Funds account is replenished by annually allocating a percentage of surplus net revenue approved by a standing board motion. In the absence of surplus net revenue, the reserve may be replenished with funds allocated in the annual budget from operating revenue, subject to board approval. The Executive Director will advise if/when the reserve needs to be replenished.

If the Restricted Funds account is at its target for operational reserves, surplus revenue can continue to accumulate in the Restricted fund account. Funds above the target operational reserve can be used for other internal priorities, such as:

- Capital replacements (equipment, technology, marketing materials etc.)
- Strategic opportunities or innovations (pilot projects, new service models, technology improvements, one-time strategic initiatives)
- Program stabilization or expansions (scaling successful programs, launching new programs, managing multi-year program commitments that lack guaranteed funding)
- Invest in organizational capacity (staff training and professional development, upgrading IT systems, website redesign, policy/governance/system modernization)

4. Reporting Requirements

The Executive Director will report the status of the reserve to the Board at the regularly scheduled quarterly meetings, including:

- Current reserve balance,
- Target level and variance, and
- Any withdrawals, deposits, or planned replenishment measures.

Credit Card Use

The Board may authorize the ED to obtain a Credit Card:

1. Monthly statements shall be submitted and itemized by account.
2. The ED's Monthly statement shall be authorized by the Chair or Treasurer.

Reimbursement of Expenses

The Board recognizes that its employees, contractors, and members are required to travel for the purposes of FOPL business and that they should be reimbursed for such travel and associated expenses while carrying out FOPL business.

1. The most economical method must always be the major consideration when traveling on FOPL business. The choice of transportation mode and accommodation will be based on efficiency and cost effectiveness.
2. Costs related to transportation, accommodation and meals will be reimbursed upon presentation of receipts.
3. Expenses related to meetings for the sole purpose of FOPL business will be reimbursed with appropriate documentation including names of those in attendance, purpose of meeting and itemized receipt of expenditures.
4. All itemized receipts must be submitted within 60 days or will not be eligible for reimbursement. If travel choices are other than the most economical viable option, reimbursement will be at the latter level.
5. Expense claims of the employees and members of FOPL Working Groups, Committees and Project Teams will be approved by the Treasurer; expenses of the ED will be approved by the Board Chair; and expense of the Board Chair will be approved by the Board Treasurer
6. Under no circumstances will the cost of alcohol beverages be reimbursed.
7. Expense Claim Form and Schedule of Eligible Expenses as attached.

Disposal of Assets

1. The ED may determine from time to time what items will be considered surplus and slated for disposal.
2. Items shall first be listed for sale, with proceeds returning to FOPL, and then offered for donation. If no sale or donation is possible, the item may be disposed of.

SCHEDULE OF ELIGIBLE EXPENSES

Travel

Mileage: Provincial Treasury Rate
Parking Fees: receipt amount
Airport transfer: Bus, UP express, public transit or taxi when pressed for time
Shared expense whenever possible

Accommodation

Single standard room
Hotel Parking
Gratuities as appropriate

Meals

Including tip and taxes \$~~65~~100/day
Costs exceeding these amounts will only be paid if there is no reasonable expectation of alternative dining arrangements
Under no circumstances will the cost of alcohol beverages be reimbursed

Communication

A maximum of \$10 week for communications costs for long distance telephone charges or data plans related to FOPL business

This policy will be reviewed bi-annually by the Finance Committee (or Board) to ensure the reserve target and governance remain appropriate in light of changes to operating conditions, funding stability, or organizational risk.