

SECTION 13
Saskatchewan Library Association
Treasurer's Handbook
March 2019

SLA Treasurer's Handbook

Table of Contents

- Definitions
- Term of Office
- Overview of the Treasurer's Responsibilities
- Overview of the Treasurer's Duties
- Finance Committee, Personnel Committee, Fundraising Committee
- Mary Donaldson Award Committee
- SLA Budget
- SaskCulture Global Funding Application
- Bookkeeping Services
- The Annual Audit
- The Audited Financial Statements
- Reports
 - o To the Board of Directors
 - o At the Annual General Meeting
 - o At the Changeover Meeting
- Cost of Living Adjustments (COLA) for Staff

Definitions

Eligible Organizations (EO): Eligible organizations approved by the minister of culture to receive funding from the lottery trust.

Provincial Cultural Organization (PCO): SLA is one of the PCOs that receives Saskatchewan Cultural Trust Funding

SaskCulture: SaskCulture is the umbrella organization for the PCOs. It provides information, consultation, advocacy, and special benefits such as liability packages, pension, and staff benefit packages.

SaskLotteries Trust: The agency responsible for distributing Saskatchewan's share of the Western Canada Lottery funds to eligible provincial sport, culture, and recreation organizations. It is accountable to the Minister of Municipal Government.

Term of Office

The Treasurer serves a two-year term and may not be elected to that position for more than two consecutive terms.

Overview of the Treasurer's Responsibilities

- Provide ongoing financial advice to the SLA Board of Directors Regularly
- monitor the expenditures and revenue of the Association which are maintained by the Executive Director, to ensure that programs as planned by the budget process are realized
- Ensure that the proposed budget has a sound financial basis and accurately reflects the plans of the Association
- Ensure that for programs which guarantee ongoing maintenance of SaskCulture funding, such as Saskatchewan Library Week and the annual Saskatchewan Libraries Conference, the Association can demonstrate its ability to meet the reporting requirements of SaskCulture on an ongoing basis
- Work with the Executive Director to ensure that appropriate accounting procedures are maintained
- Seek out and secure necessary funding for all projects of the Association, in association with the Fundraising Committee
- Notify the Board and relevant committees of possible sources of special funding
- Has oversight of the Fundraising Committee

Overview of the Treasurer's Duties

- Member of the Executive Committee (along with the President, Vice-President of Advocacy and Development, Vice-President of Membership and Publications, and SLA Executive Director), which includes matters relating to Finance and Personnel committees.
- Signing officer, along with other members of the Executive and the SLA Executive Director
- Member of the Fundraising Committee (and liaison to the Board for this committee)
- Follows the annual schedule of duties as outlined in Section 1.6 of Board Handbook
- Works with other committees and the Executive Director when issues related to finance are involved
- Along with the Executive Director, prepares a draft and revised budget each year, with input from the Board of Directors

- Prepares an annual report for the membership
- Prepares a report for each meeting of the Board of Directors
- Presents a report, budget, and a set of audited Financial Statements at the Annual General Meeting; recommends the appointment of an auditor for the next fiscal year
- Presents a financial orientation to the Board at the SLA Board Changeover Meeting
- Updates the Treasurer's Handbook

Executive Committee, Fundraising Committee

See Section 5 of the SLA Board Governance Handbook for a description and terms of reference for all committees.

Mary Donaldson Memorial Award of Excellence

The guidelines for this committee were revised in November 2017 and endorsed by the board. The committee is to be convened by the Treasurer.

- In January 2015 the Trust Committee met and decided to close the Trust, and to send the funds to SLA with the provision that SLA continue to have an annual lecture and fund an award.
- A request was sent to CRA in 2017 to disestablish the Registered Charity Information for the Mary Donaldson Memorial Trust.
- The Mary Donaldson Memorial Lecture is now organized by the Conference Committee, and as far as funds permit, is still funded by sponsorship for the conference.
- The Mary Donaldson Award of Excellence has been revised to make it available to Saskatchewan students, resident in Saskatchewan, enrolled in a library technician course that can be at either SaskPolytech Library and Information Technology Program or an online program. This award is organized by the Fundraising Committee, under the oversight of the Treasurer.

SLA Budget

- The SLA fiscal year runs from February 1st-January 31st of each year
- A three-year budget is prepared by the Executive Director, in consultation with the Executive and Board, for the SaskCulture Annual Global Funding (AGF) Application (last submitted for Feb 1, 2016). The next one will be for Feb. 1 2020 (predicted).
- When SaskCulture confirms the amount of funding that will come to SLA for those three years, then the budget is revised. The SLA Board aims to approve the revised the budget at the November Board Meeting each year

- The last Global Funding Application was for 2016-2017 (year 1), 2017-2018 (year 2), and 2018-2019 (year 3). Due to negotiations with the Lottery Trust and additional year 4 grant was provided for 2019-20. The next AGF application will be due on February 1, 2020.
- The Treasurer works with the Executive Director in the fall of each year to prepare a budget draft for the Board's consideration at the September meeting. The final budget is usually approved at the November meeting. The budget and a letter from the president needs to be submitted by December 1 annually as part of the Annual Submission as part of the AGF grants.
- Although the budget and financial statements used for management purposes will have more detail than the budget presented as part of the AGF Application, it is important that the format of both closely resembles the AGF for easy reconciliation

SaskCulture Annual Global Funding (AGF) Application

- The Executive Director prepares and administers the SaskCulture AGF application and follow-up, but it is important for the Treasurer and the President to understand the process and be familiar with the application
- You can familiarize yourself with SaskCulture's guidelines for AGF, by reading their webpage and handbook here: Annual Global Funding (AGF) for Provincial Cultural Organizations (on the SaskCulture page) <http://www.saskculture.ca/programs/funding-programs/grants/annual-globalfunding>
- SaskCulture has particular areas of interest (e.g. programs that connect with aboriginal peoples and newcomers), so familiarity with these is important for the Board as a whole
- Key to receiving SaskCulture funding is to recognize SaskCulture and SaskLotteries as sponsors – we need to put their logos on all our print materials and web publications

Bookkeeping Services

SLA outsources its bookkeeping work to SaskSport, for a fee. It is a good idea to learn about this relationship early on, as the Treasurer. Currently (March 2019), Salina Barry is the SaskSport Accountant, with Carla Johnson the current bookkeeper, in charge of our file.

The Audit

The SaskSport Bookkeeper does much of the audit preparation for SLA, in collaboration with the SLA Executive Director.

The audit occurs about one month after the fiscal year end (year end is January 31st), and it needs to be wrapped up before the Annual General Meeting (AGM) in early May. The auditor is asked to provide the draft and final copy to be included in the Annual Report to the Members at the AGM, usually by end of March or early April.

The auditor since the fiscal year ending 2017 has been Robert Szautner, CPA, CA.

Inform the auditor of:

- Any changes in SLA's funding and/or administration that have taken place during the year
- Unusual budget concepts, accounting transactions, and year-end entries
- Be sure that the audit format follows the SaskCulture Annual Global Funding reporting style, so that it is easy for SaskCulture to compare the audited statements to SLA's Global Funding reports
- Usually the Treasurer, with the support of the Executive Director, presents the audited statements at the Annual General Meeting. If neither is available, it is unusual but possible to invite the auditor to the meeting to present the statements.

The Audited Financial Statements

- The audited Financial Statements are presented to the Board of Directors at the first meeting following the audit, for approval and signatures, or electronically if time is short.
- The Financial Statements are then sent out electronically as part of the Annual Report to the membership prior to the AGM
- The Financial Statements are reviewed at the AGM, and are subject to the approval of the membership

Reports

To the Board of Directors

- Treasurer's report is presented at each meeting.
- It should include these details:
 - Indicate the Association's current financial situation
 - Identify areas of concern in the financial statements
 - Report on all investments made with SLA funds
 - Review the budgeting process, and progress to date

At the Annual General Meeting

- Present an overview of SLA's financial situation
- Present the audited Financial Statement from the previous year
-

Present a revenue/expenditure matrix, indicating the previous year's actual expenditures and the current year's estimates

- Recommend the auditor for the next year-end audit

At the Changeover Meeting

- Provide an overview of SLA's revenue and expenditures for the previous and current years so that the Board members have a sense of where the revenue comes from and how the funds are spent
- Provide a budgeting schedule (refer to Section 1.6 of the Handbook) related to SaskCulture funding, so the Board members recognize the budget deadlines
- Outline the financial responsibilities and processes related to committees and programs
- Review the Financial Statement and General Ledger reports

Cost of Living Allowance (COLA) Adjustments for Staff

Review staff salaries annually, while also doing this research:

- Review the COLA given in past years
- Review the budget potential
- Review the salary settlements in libraries in Saskatchewan
- Talk to other cultural organizations about COLA amounts they are using

Recommend a cost of living increase at the September Board meeting for inclusion in next year's budget. The amount may need to be refined when the budget is revised in late December-early January.

Monitoring Reserve Funds

As of February 2019, SLA has a considerable amount of funds in reserve and has budgeted modest deficits for several years in order to draw down the reserve to an appropriate amount. A suitable reserve should be maintained to guard against significant and sudden unexpected changes in revenue or expenses. The treasurer should monitor trends in both revenue and expense with a view to future years and advise the board as necessary if the reserve is projected to grow too large or shrink too small.

It must be noted that restricted funds can only be used for specific purposes, not general operations; even in an emergency. Thus, the reserve calculation should exclude these funds.

It is recommended that a target range for an operating reserve be maintained in the range of 8-10 months total operating expenses. As of March 2019, this would be a range of \$176,000 - \$220,000. With the inclusion of restricted funds, this would be a total cash and investments of \$249,000 - \$293,000.

Transfers to Restricted Funds

SLA currently has four restricted funds: the Mary Donaldson Fund, The Maureen Woods Education Bursary Fund, The Francis Morrison Trust, and the Continuing Education Grant Fund. The treasurer should monitor fund amounts and bring restricted fund balance trends to the board's attention as needed.

Money comes into these funds to maintain them in a few different ways. First is by way of donations from members or other parties wanting the support the activities facilitated by a given fund. Second is fundraising activities (e.g. proceeds from the 50/50 raffle at conference have been directed to the CE Fund). Third is distribution of conference profits, where historically 30% of conference profits have been directed to the funds selected by the board for that year (this is done by a board motion once conference profits are known and the percentage of profits and receiving funds are based on board discussion at the time of the motion). Fourth is by budgeting a transfer from the general fund and is done as part of the budget planning process. Fifth is by a special motion of the board where a transfer from the general fund happens separate from the budget process.