**Name of Policy:**
Contingency Fund

**Intent:**
This policy establishes and stipulates the use of the Contingency Fund in which the MDLP partners hold surplus funds derived from the MDLP program. Surplus may result from items, including but not limited to, interest earned on the account, savings from favourable exchange rates, or excess partner revenue collected.

**Policy Statement:**
- Any interest earned from monies in the MDLP account will be added to the Contingency Fund;
- Partner revenue collected that exceeds the core collection cost will be added to the Contingency Fund;
- Monies in the fund will not exceed 20% of the core program annual costs and must remain under $120,000;
- The fund may be drawn upon to purchase perpetual access eBooks, pay for a short term subscription licence, or top up partner contributions;
- Partners and/or the Planning and Development Committee may propose additional uses for the monies at a partner meeting; and,
- Any use of the Contingency Fund must be approved by MDLP partners.
- If the MDLP dissolves, any remaining funds in the MDLP account will be used to extend the subscriptions of core collection products, in whole or part, until all funds are exhausted.
- If a partner leaves the MDLP, they will not be entitled to any of the Contingency Fund. The Contingency Fund remains at the disposal of the current MDLP partners.

**Outcomes/Objectives:**
The policy ensures that program surplus is used for the benefit of the MDLP program and the funds are responsibly dispersed. Specific parameters are required to ensure financial accountability and responsibility.

**Definitions:**
Contingency Fund Policy

MDLP Account - an account created for Provincial Library and Literacy Office which allows them to sign agreements on behalf of partners, to receive contributions from partner libraries for databases and pay invoices to database vendors. The account is administered by the Government of Saskatchewan.

The Exchange Rate Fund – MDLP partners developed the Exchange Rate Fund to help cover the cost of the MDLP core collection when the U.S. exchange rate fluctuates significantly. The Exchange Rate fund was made obsolete with creation of this policy.

Contingency Fund – Interest earned or excess partner revenue collected to the MDLP Account is held as the Contingency Fund and partners may use this fund to purchase perpetual access eBooks, pay for a short term subscription licence, or top up partner contributions.

Approved: November 2019
Revised: