

## POLICY AND PROCEDURE MANUAL

<b>POLICY</b>	Reserve Funds		
<b>SECTION</b>	Operational – Financial	<b>POLICY #</b>	III F – 2
<b>DATE CREATED</b>	March 2007	<b>DATE LAST REVISED</b>	September 2017
<b>NEXT REVIEW DATE</b>	2025/2026	<b>PAGE #</b>	1 of 2

### POLICY STATEMENT

The College shall establish and maintain reserve funds in order to cover variable and/or unforeseen costs and expenses.

### PROCEDURE

1. The College shall establish and maintain the following reserve funds: Investigations & Hearings Reserve Fund, Contingency Reserve Fund, Fee Stabilization Fund, and any other reserve funds as deemed appropriate by the Council.
2. All transfers to and from the reserve funds shall be approved by the Council upon the recommendation of the Finance and Audit Committee, unless otherwise specified.
3. The details of the funds are as follows:
  - a. Investigations & Hearings Reserve Fund
    - i. The Investigations & Hearings Reserve Fund is designated to cover costs, including legal costs, for the conduct of inquiries, investigations, discipline hearings, fitness to practice hearings, appeals and payments under the program for Funding for Therapy and Counseling which exceed annual budget provisions for those activities.
    - ii. The minimum amount to be maintained in this fund is \$300,000 or such greater amount as may be determined by the Council of the College.
    - iii. In any fiscal year in which the costs of the activities set out in paragraph 3(a) exceed budget and the College runs an operating deficit for that year, funds may be transferred from this fund to cover the cost overrun.
  - b. Contingency Reserve Fund
    - i. The Contingency Reserve Fund is designated to provide for extraordinary expenses that exceed or fall outside of the provisions of the College's operating budget and are not otherwise covered by the Investigations & Hearings Reserve Fund or to fund the College's obligations in extreme circumstances as determined and approved by the Council of the College including in the event that the College ceases to exist as a statutory body corporate.
    - ii. The minimum amount to be maintained in this fund is \$500,000 or such greater amount as may be determined by the Council of the College
    - iii. In the event of dissolution of the Council, these funds are to be used only upon approval of a person or entity legally authorized to oversee the financial affairs of the College.
  - c. Fee Stabilization Fund
    - i. The Fee Stabilization Fund is designated to minimize or delay the impact of year-over-year changes in revenues or expenses on membership renewal fees.

- ii. In any fiscal year in which there is an operating deficit, even after funds from the Investigations & Hearings Fund are applied to cover any overspends for costs, including legal costs, for the conduct of inquiries, investigations, discipline hearings, fitness to practice hearings, appeals and payments under the program for Funding for Therapy and Counseling, funds may be transferred from the Fee Stabilization Fund to cover such deficit.
  - iii. In any fiscal year in which the fee stabilization fund falls below \$500,000, the Finance and Audit Committee will make recommendations to Council for a strategy for topping up the Fund.
4. Maximum Aggregate Value of Reserve Funds: The aggregate value of these reserve funds shall not exceed \$3 million or such other amount as may be approved by the Council of the College. In the event that there are surpluses in excess of this amount, the Finance and Audit Committee will consider whether to recommend to Council means for reducing revenues or for increased spending in the service of the public, members and other stakeholders, in subsequent years.