



## **Reserves Policy**

### **PURPOSE**

There are a number of specific reserves that are held for the fire and recreation districts within Vulcan County. These reserves are generated through Special Tax Levy Bylaws, in accordance with Section 382 of the Municipal Government Act. There are also specific reserves that are held for projects relating to culture, which are generated through the County's General Tax Levy Bylaws.

It is the intent of Council that these reserves are held by the County, to ensure that the funds are used for the specific purpose in which they were raised, pursuant to the Municipal Government Act, Section 386(1).

It is the responsibility of Council for the approval of the expenditure of funds that are raised by the Special Tax Levy Bylaws; and pursuant to the Municipal Government Act, Section 203(2); Council may not delegate these duties. However, Council may use the advice and recommendations of the Boards and Associations to assist in the approval process for the expenditure of these reserves.

The following will guide and govern decisions made by the County on how the reserves within its control are managed and disbursed.

### **PROCEDURE**

1. Each reserve that is raised by these special tax levies, and for specific culture projects, shall be disbursed in accordance with this policy.
2. Each specific district of the County will have a separate reserve allocated for Fire Reserves and Recreation Reserves. Culture Reserves will only be established as required.
3. Funding is held in reserve for projects and capital expenditures that are not started in the current budget year and/or are planned to be used in future budget years.
4. Interest will be earned on each of the specific reserves, where the interest rate applied will be equal to the average interest earned on the County's High Interest Savings Account. If there are specific reserves that are being held for an extended period of time, in which Guaranteed Investment Certificates (GICs) may be applied,

the interest earned on these specific reserves would be equal to the interest earned from the related GICs.

5. If Council has allocated the reserve towards a specific project or specific capital expenditure; the funds may be disbursed once the project is started and/or the capital expenditure is to be purchased / constructed. The Board / Association / Committee would make a formal request for the disbursement of the funds to Administration, indicating that the project is started and/or that they are requesting that the capital expenditure proceed.
6. If there are funds left in a specific reserve after the specific project or specific capital expenditure is completed, the balance of the remaining funds are attributed to the district's unallocated reserves to be used for future projects or capital expenditures. Unspent funds relating to fire protection and recreation will remain in the specific Reserves for that district.
7. If there are funds in a reserve that are not specifically allocated to a project or capital expenditure (i.e. funds remaining after project is completed); a request is to be made to Council to allocate these funds to an alternative requested purpose.
8. Disbursement of funds will follow the controls and procedures included in the County's accounts payable processes.