Financial

Reserve Policy

GFOA Alberta – Policy Manual	
Policy Type: Financial	**Number:** 3.3.7
Policy Name: Reserve Policy	**Original Effective Date:** November 26, 2025 **Date of Last Amendment:**

The purpose of this Policy is to establish, maintain and manage specific reserves for emerging financial needs, stabilization of operational revenues or special projects as approved by the Board.

This Policy establishes standards and guidelines for the management of existing reserves, outlines the purpose of each reserve, and parameters regarding the use of reserves.

The attached "Reserve Policy Schedules" require Board approval prior to the establishment of a reserve. The schedules attached to this Policy will be developed for each reserve created, outlining the following:

- Reserve Name.
- Purpose of the Reserve.
- Source of Funding.
- Target balance.
- Application.
- Interest Treatment.

Administration of all reserves will be carried out by the Executive Director or his/her designate.

Transfers to or from reserves shall be as authorized by the Reserve Policy Schedule and approved by Board.

Reserve targets shall be regularly reviewed to ensure that they remain adequate and meet the needs of the Board.

Interest will be applied to reserve funds only if required by an external requirement.

Funds may be borrowed from internal reserve funds to meet funding requirements as approved by the Board. Internal borrowing will be permitted only if an analysis of the affected reserve indicates excess funds are available and the use of these funds will not impact the funds' intended use. The interest rate being earned by the Association's investments will be paid on these loans.

Reserve Policy – Schedule 1

Name: Operating Stabilization Reserve

Purpose: To provide one-time funding for operations in the event of revenue loss.

Source of Funding: Annual surplus or other sources as approved by the Board

Target: Twice the equivalent of contribution provided by the annual conference to operations.

Application: Funds from this reserve will be used for stabilizing budgetary impacts resulting from extraordinary events that would prevent an annual conference from occurring.

Interest Bearing: None

Reserve Policy – Schedule 2

Name: Conference Reserve

Purpose: To provide one-time funding for facilitating the annual conference in the event of revenue loss or site-specific expense increase.

Source of Funding: Annual surplus or other sources as approved by the Board

Target: $40,000

Application: Funds from this reserve will be used to offset the loss of revenue specific to a conference or the increase in costs due to site location.

Interest Bearing: None

Reserve Policy – Schedule 3

Name: Initiative Reserve

Purpose: To provide one-time funding for facilitating initiatives emerging from the Board or Task Forces.

Source of Funding: Annual surplus or other sources as approved by the Board

Target: $200,000

Application: Funds from this reserve will be used to fund one-time projects approved by the Board. Projects may be recommended by the Board or the Task Forces.

Interest Bearing: None