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**POLICY P. 080.FIN**

**TITLE: RESERVES**

**Date Issued: August 1999**

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**Authorization: Board 99/04/26**

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**1.0 OBJECTIVE**

To ensure that the Board meets the requirement under the *Education Act* to adopt a balanced annual budget, and manages its resources prudently through the appropriate establishment and use of reserves.

**2.0 POLICY**

2.1 In addition to adopting a balanced annual budget, the Board must also deal with long-range planning issues requiring multi-year fiscal plans. The Board's facilities and equipment have a useful life of more than one year and require ongoing expenditures to maintain and enhance their instructional use.

**3.0 SPECIFIC DIRECTIVES**

3.1 The Board shall use the annual budget to accumulate sufficient funds to deal with its multi-year facilities and equipment, fleet and insurance needs. Any funds budgeted for these purposes that are not expended in the current fiscal year shall be placed in the Working Fund Reserve for use in future years.

3.2 The Board may, from time to time, by Board resolution, establish additional Reserve funds for other purposes.

3.3 Any budget surplus at the end of a fiscal period shall be transferred automatically to the Working Fund Reserve. The Board shall determine the use of such Reserves in its subsequent budgets.

**4.0 REFERENCES**

*The Education Act* 1998, ss. 242, 243, 257.30, 257.31, 257.33  
Board Policy P.007.FIN: Signing Authority and Spending Controls