



MANAGING RESERVE FUNDS

Council Policy

C-222

Policy Number:	C-222
Policy Owner:	Financial Services
Adopted By:	Council
Adoption Date:	2017 June 06
Effective Date:	2017 June 06
Date Last Amended:	YYYY Month DD
Date Last Reviewed:	YYYY Month DD

Purpose

- 1 This policy outlines the criteria to create, amend, administer, or close a Rocky View County (County) reserve fund.



Policy Statement

- 2 The County creates reserve funds to ensure its long-term financial stability in sustaining service delivery and growth. Reserve funds provide financial flexibility, ensure stable and predictable funding, safeguard and optimize existing assets, and provide contingency funding in emergencies.
- 3 This policy applies to all County reserve funds except those governed explicitly by other legislation.



Policy

Governance

- 4 The Chief Administrative Officer (CAO) or authorized delegate, per the *Chief Administrative Officer Bylaw C-7350-2014* and the CAO Delegation Order, ensures the County's reserve funds are created, amended, administered, and closed in compliance with this policy and practices that align with the required legislation. Appendix A of this policy must be submitted to Financial Services to create, amend, or close a reserve fund.
- 5 An annual reserve fund report is presented to Council as part of the year-end financial statements.



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Managing Reserve Funds

- 6 Reserves are identified as Capital or Operating, with a specific purpose, regulatory or third-party requirement. A new reserve is considered where funds must be internally restricted to serve a predetermined requirement.
- 7 Reserve account balances are determined based on the purpose of the reserve in question. Each required reserve balance must be substantiated with data evidence that speaks to County obligations necessitating the amounts required.
- 8 Council approves Transfer to and from reserve accounts through yearly budget approvals or budget adjustment approvals before the transaction occurs.
- 9 Administration will review reserve reports as part of regular financial reporting.
- 10 Annual surpluses from the County's operating budget are transferred to the Tax Stabilization Reserve. This transfer does not require Council approval.
- 11 Withdrawals or transfers from a reserve must not exceed the reserve fund balance.
- 12 All reserve funds are invested in interest-bearing instruments regulated by the *Municipal Government Act* and Rocky View County *Investment Policy C-201*. Reserve funds cannot be invested for a term exceeding their expected need date.
- 13 Interest income from reserve fund investing activities will accrue to a specific reserve if the reserve is required by regulation or a third party. Otherwise, all interest income is retained in the County's General revenue account.



References

Legal Authorities

Related Plans, Bylaws, Policies, etc.

Related Procedures

Other

- *Municipal Government Act*, RSA 2000, c M-26
- *Chief Administrative Officer Bylaw C-7350-2014*
- CAO Delegation Order
- *Investment Policy C-201*
- N/A
- N/A





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Policy History

Amendment Date(s) – Amendment Description

- N/A

Review Date(s) – Review Outcome Description

- N/A



Definitions

14 In this policy:

- (1) “Chief Administrative Officer” or “CAO” means the Chief Administrative Officer of Rocky View County as defined in the *Municipal Government Act* or their authorized delegate;
- (2) “Council” means the duly elected Council of Rocky View County;
- (3) “County” means Rocky View County;
- (4) “*Municipal Government Act*” means the Province of Alberta’s *Municipal Government Act*, RSA 2000, c M-26, as amended or replaced from time to time;
- (5) “Reserve fund” means an account set up by Rocky View County to meet any unexpected costs that may arise in the future as well as the future costs of upkeep;
- (6) “Rocky View County” means Rocky View County as a municipal corporation and the geographical area within its jurisdictional boundaries, as the context requires; and
- (7) “Surplus” means the portion of overall revenues that exceeds the overall expenses.



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Policy C-222 - APPENDIX "A"

ROCKY VIEW COUNTY – CREATION / AMENDMENT / CLOSING OF RESERVE FUNDS

Reserve Name			
Department		Year Established	
Type: <input type="checkbox"/> New <input type="checkbox"/> Amendment <input type="checkbox"/> Closure	Designation: <input type="checkbox"/> Capital <input type="checkbox"/> Operating		
Purpose (for reserve fund)			
Lifespan (expected time required)		Funding Source	
Funding Calculation (One time contribution, specific annual value, or formula)			
Interest Allocation: <input type="checkbox"/> General revenue <input type="checkbox"/> Transfer to Reserve	Target Minimum & Maximum Balance		
Budget Programs Affected (for both contributions and withdrawals)			
Reporting Requirements			
Conditions & Restrictions			
Applicable Regulations, Acts, Bylaws, Policy or Procedure			
Consequences of Not Creating			
GL Account (Finance to Determine)			

Requested By: _____ Date: _____
 Printed Name, Manager Signature

Approved By: _____ Date: _____
 Printed Name, CAO Signature