



NEW CANADIANS CENTRE PETERBOROUGH

**Policy Name: Internally Restricted
Emergency Operational Reserve
Policy**
Policy Type: Finance / Restricted Reserve

Last Revised: November 2017
Effective Date: November 27, 2017

ORIGIN:

1. The Cash Flow Restricted Reserve (currently called: **Internally Restricted Emergency Operational Reserve**) was created by Board Motion on May 26, 2010.
2. The initial allocation to the Cash Flow Restricted Reserve was made by a Board of Directors' Motion of April 28, 2010 directing the Auditor to place surplus monies above \$2500 at the end of fiscal year 2009-2010 in a restricted reserve.

PURPOSE:

3. Monies deposited in the **Internally Restricted Emergency Operational Reserve** are to be used solely for the payment of expenses in case of an emergency with the Board of Directors' approval.

DEPOSIT:

4. The Board of Directors by board motion may direct money to be deposited in the **Internally Restricted Emergency Operational Reserve** until the total amount in the Reserve is equal to 3 months of average annual Operation expenses. Once 3 months has been achieved, the Board may decide where to allocate the additional surplus.

INVESTMENT:

5. The Executive Director may deposit the reserve in the NCCP Bank Account or invest the reserve in accordance with the Financial Management Policy.

DISBURSEMENT:

6. The Executive Director may utilize the funds, after notifying the Chair and the Treasurer, to pay for expenditures which are approved by the Budget or by Board of Directors' Motion, when insufficient funds are available in the operating bank account of the New Canadians Centre.

RETURN OF CAPITAL:

7. The Executive Director shall return any funds withdrawn from the **Internally Restricted Emergency Operational Reserve** to the reserve as soon as there is sufficient liquidity in the operating bank account.

REPORTING:

8. As part of the monthly Financial Statement, the Treasurer shall provide the Board of Directors with a written statement of all transactions involving the **Internally Restricted Emergency Operational Reserve**.
9. As part of the audited statement, the Auditors shall report to the members at the Annual General Meeting the opening and closing balances of the Reserve and all transactions involving the assets of the Reserve during the fiscal year.