

Adopted	January 20, 2022
Revision Date	
Review Year	2026

Background/Purpose:

The long-term financial health of Aurora School is critical to ensure a strong educational program. As resources permit, operating reserves will be established to ensure appropriate cash flow and to provide for ongoing operational needs. The Board supports the establishment and maintenance of transparent capital reserves for the purpose of providing for present and future cash requirements.

Definitions

1. Capital Reserves: Funds set aside which will ensure the timely purchase and/or replacement of capital assets (goods valued in excess of \$5,000).
2. Operating Reserves: Funds set aside for operational purposes.

Guidelines

1. All reserves shall be accounted for and reported on by the Secretary-Treasurer.
2. Delineation of reserves will be accounted for in a clear and transparent manner.
3. Spending or allocation of reserves must be approved by the Board. The financial reporting of reserves will occur in conjunction with the year-end.
4. The Board may authorize the establishment of ear-marked reserves for expenses or specific projects.
5. Should the intended purpose, event, or expenditure cease or change significantly in the future, any remaining amount in the reserve should be allocated or reallocated to the appropriate expense's operating reserve or reallocated through the annual review process.
6. Accumulated surpluses carried forward as outlined above are available for the operation of the school.
7. Where required by applicable legislation, regulation, or other guideline, the current year's net interest income from reserves shall be allocated or reallocated accordingly; where not required by applicable legislation, regulation or other guideline, the current year's net interest income from reserves shall be allocated as per Board direction.
8. The use and allocation of capital reserves, unless legislated, must be approved by the Board.

Accountability:

Director of Finance, Secretary Treasurer, and Superintendent

References:

AR 4005 BP Annual Budget Development
AR 4006 BP Budget Implementation