Reserve Fund Policy

1) Purpose
   a) CUSA shall maintain a reserve fund to hold and invest surplus funds.
   b) The reserve fund shall serve the following purposes:
      i) To smooth the impacts of changes to student fee revenues during times of change or short term uncertainty.
      ii) To absorb the cost or emergency expenditures that were not included in the budget.
      iii) To finance certain capital projects and other major financial obligations.
      iv) To allow unused funds to generate additional revenue for the corporation via investment returns.
      v) To allow organizational survival into the medium-term in the event that the Corporation suffers a serious impairment to one of its revenue sources.
      vi) To cover unpaid obligations in the event of organizational dissolution.

2) Sources and Uses of Funds
   a) Subject to cash flow requirements, CUSA shall move surplus funds into the reserve fund.
   b) All withdrawals from the reserve fund must be authorized by a resolution of the CUSA Board.

3) Reserve Targets
   a) The Reserve Fund shall have a target of $6,000,000 in 2022 Canadian funds.
   b) In the event that the reserve fund is short of target, a reserve fund contribution of at least 10% of the shortfall shall be included in the annual budget.
   c) The Vice President Finance / Secretary-Treasurer shall periodically issue recommendations to the CUSA Board regarding the target for the reserve fund.