

## Reserve Fund Policy

F-01

LONG TITLE	Reserve Fund Policy for Emergency Corporate Management	DATE OF ENACTMENT	31 March 2022
		LAST AMENDED	25 November 2023
REFERENCE No.	F-01	NEXT REVIEW	01 November 2026
CATEGORY	Finance	COMPETENT CHAMBER	CUSA Board

### 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 2024 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.