

GENERAL OPERATING RESERVE FUND POLICY

Statement of Purpose:

Swim Alberta will maintain an un-restricted General Operating Reserve Fund (the “Operating Fund”) for the general purpose of assisting the organization to develop operating budgets that provide for planned growth and financial change in the organization funding that may result in deficits to the organization.

Policy:

Swim Alberta will maintain the Operating Fund at an amount no greater than \$300,000 to achieve the following objectives:

1. To enable Swim Alberta to develop a financial and operational plan that allows for growth and change without jeopardizing ongoing programs and operations of the organization.
2. To promote member, funder and stakeholder confidence in the short-term sustainability of the organization by preventing cash flow challenges that can diminish the organization’s reputation and force the leadership to make decisions that are not in the best interest of Swim Alberta meeting its mandate or mission.
3. To create financial capacity to easily manage cash flow and maintain financial flexibility in developing and delivering programs and services.
4. To provide for seed funds for new programming initiatives or start-up services that enable Swim Alberta to provide leading edge programs and services that align with the overall mandate of the organization.

Funding:

The target amount to be attained in the Operating Fund is:

- \$150,000 for cash-flow and operating reserves
- \$150,000 of working capital for identified new programs/initiatives and start-ups.

The fund will be established through annual operating surpluses.

Procedures and Management of the Un-Restricted Operating Fund:

The Operating Fund will form a part of the organization’s net assets and are not required to be accounted for separately in Swim Alberta’s Financial Statements.

The Audit and Finance Committee will have the responsibility for developing and recommending investment policies and guidelines for the Operating Fund according to Swim Alberta Financial Policies.

Uses:

The Operating Fund can be used for the following purposes:

- Funds for use to financially operate Swim Alberta
- Funds to make-up deficits in the approved operating budget and revenues of Swim Alberta
- Funds to support the launch and development of new initiatives, programs or start-ups.

Governance and Authorization of Drawdown from the Operating Fund:

Use of the funds are approved through the annual budgeting process of the Board of Swim Alberta. The Executive Director of Swim Alberta has the authority to access and utilize the funds as approved through the budget and in keeping with the financial policies as approved by Swim Alberta.

Policy Review:

This policy will be reviewed yearly by the Audit and Finance Committee unless conditions warrant earlier review and reviewed by the Board of Directors every two years unless conditions warrant an earlier review. Any changes to the policy must be approved by the Board of Directors of Swim Alberta.