

## SWIM ALBERTA SUSTAINABILITY RESERVE FUND POLICY

### **Statement of Purpose:**

The general purpose of the Swim Alberta Sustainability Reserve Fund (the “Fund”) is to ensure long-term financial stability of Swim Alberta and position the organization to respond to varying economic conditions and changes affecting Swim Alberta’s financial position and the ability to continually carry out its mission/mandate.

### **Policy:**

Swim Alberta will maintain the Fund at a level relative to four (4) years of annual program operating core-funding to achieve the following objectives:

1. To enable Swim Alberta to sustain operations through delays in payments of committed funding without jeopardizing ongoing operations;
2. To promote member, funder and stakeholder confidence in the long-term sustainability of the organization by preventing chronic cash flow crises that can diminish the organization’s reputation and force the leadership of Swim Alberta to make expensive short-term, emergency decisions.
3. To maintain an internal cash balance to manage cash flow and maintain financial flexibility in the event of un-foreseen circumstances, events or emergencies.

### **Funding:**

The target amount to be attained and maintained for the Fund is \$870,000, representing four (4) years of historical annual core-operating grants received by the Government of Alberta.

### **Procedures and Management of the Fund:**

The Fund shall be accounted for separately and apart from un-restricted and other net assets.

The Audit and Finance Committee has the responsibility for developing and recommending investment policies and guidelines for the Investment of the Fund according to Swim Alberta Financial Policies.

**Uses:**

The Fund can be used for the following purposes:

- Internal line of credit to financially operate Swim Alberta through delays in committed or anticipated funding.
- Funds to stabilize a level of allocations or a level of increased allocation when events affect the source and application of funds (government funding, un-anticipated reduction in membership, etc)
- Funds for emergency, unplanned or unexpected significant deficiencies in operating revenues or unfunded emerging needs of Swim Alberta that would not be covered through the Operating Reserve Fund Policy.

**Governance and Authorization of Drawdown from the Fund:**

Use of the Fund must be approved by a majority of the Board of Directors of Swim Alberta at a properly scheduled meeting of the board. A record of any such action will be maintained and be made a part of the Board Meeting minutes.

If the Swim Alberta Sustainability Reserve is less than 50% of the targeted reserve level for two consecutive years, the Board of Directors will review and adopt an operational budget that rebuilds the operating reserves back to targeted reserve levels, with timelines to be determined by the Audit and Finance Committee and approval by the board.

**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.