

Administrative Procedure

3011 – Reserve Fund

The Board of Education, School District No.71 (Comox Valley) is responsible for ensuring the district is protected financially from extraordinary circumstances which would negatively impact the education of students. To discharge this responsibility, the board endeavors to maintain a reserve fund of approximately 2.0% of the total operating budget for that year.

Procedure:

Authorized use of the restricted portion of the board's accumulated surplus under the following circumstances, is always subject to the Board of Education's approval:

1. the elimination of any deficit arising at the end of a fiscal year of operations;
2. the incurring of new cost pressures in a fiscal year that were not known at the time of budget development;
3. the payment of severance (wages and benefits) in excess of \$100,000 upon termination of a non-union employee without cause;
4. the settlement of any legal action that is not covered by the School Protection Program;
5. initial one-time cost outlays for new educational programs where an investment in non-technology related learning resources is required (non-technology related refers to computer technology);
6. coverage for disaster recovery expenditures;
7. extraordinary unknown utilities cost pressures;
8. replacement of equipment essential to the continuation of educational programming in schools or district facilities;
9. to appropriate to balance the next year's budget.

In recognizing that the use of the restricted portion of its accumulated surplus represents a one-time use of funding, the board will incorporate into its future budget planning processes, strategies to re-establish the accumulated surplus. Such strategies may be implemented over a period of two (2) years.