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| Reserve Policy–City Enrichment Fund Reserve Policy |  | Corporate Services Department |
| Policy No: RES - 112230 | | |
| Page 1 of 2 | Hamilton | Approval: 2018-XX-XX |

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| POLICY STATEMENT | This Policy sets out the guidelines for the sources, uses and appropriate target level for the balances in the City Enrichment Fund Reserve. |
| PURPOSE | <p>To fund extraordinary and unforeseen expenditures, providing one-time funding to grant recipients.</p> <p>The City Enrichment Fund Reserve is not intended to be a long-term funding source for community programs and grant recipients.</p> |
| SCOPE | This Policy applies to all City employees who manage financial resources. |
| PRINCIPLES | <p>The following principles apply to this Policy:</p> <p>Authority:</p> <ul style="list-style-type: none"> • All transfers from the City Enrichment Fund Reserve (112230) are to be approved by the Grants Sub-committee either by a budget submission, by a separate Sub-committee report or by a Sub-committee motion. Sub-committee approval is to be forwarded to relevant Committees and City Council. • The General Manager of Finance and Corporate Services has the authority to recommend the use of the City Enrichment Fund Reserve or other reserves to Council to fund expenses or revenue shortfalls. <p>The source of funds that are to be transferred to this Reserve include any surplus funding from the City Enrichment Fund’s operations budget to include but not limited to:</p> <ul style="list-style-type: none"> • Year-end Administrative operating budget surplus. • Unused funds returned by grant recipients. • Uncollected funds where applicant is awarded a grant but fails to collect by stated deadline. • Investment income earned on the Reserve’s balance as per policies and procedures. <p>It is understood that the Reserve will participate in the City’s investment program and any Investment income earned on the Reserve’s balance will be available for use as per policies and procedures.</p> |

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| | <p>The use of funds from this Reserve to ensure the viability of the Enrichment Fund program is permitted if other sources of funding are not available. Uses may include but are not limited to:</p> <ul style="list-style-type: none"> • Financial assistance for grant recipient organizations on a one-time basis from the Reserve. | |
| <p>RESERVE BALANCE TARGET LEVEL</p> | <p>The balance in the Reserve has a target level %, target level \$ as follows:</p> <p>Target Level: 5% of the annual program budget. (\$6.02M; 2018 Budget)</p> <p>City Enrichment Fund Reserve: \$301K (2018 Budget)</p> <p>A five percent annual program reserve balance is required to meet unexpected one-time requests to the City Enrichment Fund (CEF) including marque events within the City, anniversary milestones and emergency funding for applicants within the program. A five percent program reserve balance will allow the CEF to address unforeseen demands on the program without negatively impacting the existing applicants and the overall program mandate.</p> | |
| <p>GOVERNING LEGISLATION</p> | <p>N/A</p> | |
| <p>RESPONSIBILITY FOR THE POLICY</p> | <p>Corporate Services Department Director of Financial Planning, Administration and Policy</p> | |
| <p>POLICY HISTORY</p> | <p>This reserve policy replaces the general reserve policies that were approved by Council in May 2014 in Report FCS14028.</p> | |