

## ADMINISTRATIVE PROCEDURE

**Business Administration**

Operating Reserves – Restricted Operating Funds

**BUS #17**

**Revised: June 2022**

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### Background

Operating Reserves are funds restricted for specific operating purposes. The Board of Trustees of Christ The Redeemer Catholic Separate School Division (the Board) through the regular budgeting process will create Operating Reserves for funding unforeseen or emergent type expenditures. The Superintendent or designate is responsible for the administration of this procedure.

### Procedure

1. The Board may establish the following types of Operating Reserves:
  - 1.1. Instruction
  - 1.2. Operations and Maintenance
  - 1.3. System Administration
  - 1.4. Transportation
2. Transfers to Operating Reserves may consist of any excess funds from school budget allocations and from the programming funding provided for instruction, operations and maintenance, system administration and transportation.
3. The Board may by resolution transfer into any Operating Reserve any other funds.
4. The Superintendent, or designate, is authorized to control expenditures from Operating Reserves for those funds.
5. In the case of expenditures from Operating Reserves set up for instruction, operations and maintenance, system administration and transportation, these types of expenditures would be in compliance with Alberta Education requirements and would normally form part of the respective department's annual operating budget.
6. In addition to Operating Reserves the Board may also have an Unrestricted Fund which can be used for operating purposes subject to any limitations that may be imposed by Alberta Education.
7. A maximum limit on operating reserves has been implemented for August 31st, 2023. This maximum percentage is based on each school jurisdiction's System Administration percentage. Any operating reserve balance in excess of the reserve maximum will be recovered by Alberta Education.
8. School jurisdictions are required to maintain a minimum of a one percent (1%) operating reserve balance.
9. As per the Alberta Education Act, school jurisdictions are required to obtain Ministerial approval prior to utilizing operating reserves or transferring to capital reserves.

### LEGISLATION

- A. The Alberta Education Act
- B. School Authority Accountability Policy
- C. Business Plans and Results Reports Policy
- D. Accountability in Education Policy Framework
- E. Funding Manual for School Authorities
- F. Guide to Education Planning and Results Reporting