

<b>TITLE: BANKING PROTOCOL – RESERVES and RESERVE FUNDS</b>	<b>SECTION: FINANCIAL SERVICES</b>
<b>DATE: March 10, 1999</b>	<b>POLICY NO.: FNS-I-02</b>
<b>APPROVED BY: Resolution No. 1999-01 Resolution No. 2001-101 Resolution No. 2010-95</b>	<b>REVISED/REVIEWED DATE: December 13, 2001 August 12, 2010</b>

**1. POLICY STATEMENT**

It is the policy of the Board to establish and maintain reserves and reserve funds as deemed appropriate by the Board of Directors and subject to regulations and legislation in force governing such matters, if applicable.

It shall be the policy of the Board to finance its operations from current revenues, reserves or reserve funds.

**2. PROCEDURE:**

1. A reserve is an appropriation from net revenue at the discretion of the Board for either working fund reserves or special purpose reserves. Interest earned on general funds shall be recorded as a contribution to the reserves and proportionally apportioned to the reserves.
2. A reserve fund is an appropriation from net revenue at the discretion of the Board for specific purposes. A reserve fund requires the physical segregation of money or assets. Interest earned on reserve funds shall be reinvested in the appropriate reserve fund.

**IMPLEMENTATION OF PROCESS AND PROCEDURES**

The Chief Administrative Officer shall ensure that appropriate Directives detailing process and procedures are issued and maintained to implement and carry out the intent of this policy.