



## Reserve Fund Policy

<b>Date:</b>	February 1, 2023
<b>Number:</b>	2023-02
<b>Date of Last Review/Revision:</b>	February 1, 2023
<b>Mandated Review:</b>	February 2026
<b>Policy Authority:</b>	Treasurer
<b>Associated Documents:</b>	<i>Schedule A: Reserve Fund Investment Rules</i>

### 1.0 PREAMBLE

- 1.1 The Association is committed to maintaining a Reserve Fund sufficient to protect its operations:
  - 1.1.1 When there is an unexpected loss of revenue or unforeseen expenses. For example, if the conference were cancelled due to an airline strike, a pandemic, a natural disaster, or other event, the Association would sustain a significant financial loss that could be offset from this Fund,
  - 1.1.2 Where the earned interest might be directed to support start-up expenses of specific programs or initiatives of strategic importance that are approved by the Board, and
  - 1.1.3 Should the Association decide or be required to cease operation, and that is sufficient to cover all financial commitments including contractual and employer obligations, outstanding bills, and other related expenses.

### 2.0 PURPOSE

- 2.1 The purpose of this policy is to establish the way the Association maintains, manages and uses its Reserve Fund.

### 3.0 SCOPE

- 3.1 This policy applies to managing the Association's Reserve Fund in accordance with its status as a not-for-profit organization under the conditions of the *Canada Not-for-Profit Corporation Act* and Article II of the Association's By-Law No. 1.

### 4.0 DEFINITIONS



Association of  
Canadian Archivists  
Association canadienne  
des archivistes

- 4.1 **Association** means the Association of Canadian Archivists (ACA).
- 4.2 **Fiscal Year** means the period from January 1 to December 31.
- 4.3 **Reserve Fund** means the Association account containing the accumulated Surplus Funds from previous Fiscal Years, set aside to cover expenses, losses, claims, or liabilities in present or future Fiscal Years.
- 4.4 **Reserve Requirement** means the aggregate of existing current and future Fiscal Year contractual and employer obligations as well as commitments to support initial development of programs or initiatives deemed to have strategic importance for the Association.
- 4.5 **Secretariat** means the Associations' Executive Director and Membership Services Coordinator.
- 4.6 **Surplus Funds** means the revenue received by the Association that exceeds its expenditures in a given Fiscal Year.

## 5.0 POLICY

- 5.1 The Association operates as a federally incorporated not-for-profit organization and as such must spend its financial resources in support of its programs and initiatives.
- 5.2 The Association must not operate as a for-profit venture that carries forward Surplus Funds from one Fiscal Year to the next.
- 5.3 The Association protects its ongoing operations from unforeseen financial circumstances by transferring Surplus Funds to a Reserve Fund consistent with its not-for-profit status.
- 5.4 The Association maintains in the Reserve Fund only the total amount of funds that satisfy the Reserve Requirement.
- 5.5 The interest earned on investments held in the Reserve Fund are retained in the Fund to absorb the cost of inflation thereby maintaining the Fund's value over time and keeping it aligned with the Reserve Requirement.
- 5.6 The Association will manage the monies in the Reserve Fund to provide maximum long-term consistency and stability of the return on investment, in accordance with the rules described in section 1.1 of *Schedule A*.
- 5.7 When the Association has no fiscal deficit or prospect of imminent dissolution, the Reserve Fund may be used, with prior Board approval, to fund initial development of programs or initiatives deemed to have strategic importance for the Association, in accordance with section 1.2 in *Schedule A*.

## 6.0 ROLES AND RESPONSIBILITIES



Association of  
Canadian Archivists  
Association canadienne  
des archivistes

## 6.1 General

- 6.1.1 Association members must comply with the Volunteer Code of Conduct when participating in Association business, declaring conflicts of interest, and maintain confidentiality of information belonging to the Association.
- 6.1.2 The Association's Board of Directors, Secretariat and volunteers must comply with the terms of their job descriptions, contracts and/or this policy.
- 6.1.3 The President, Vice-President and Treasurer are responsible to implement and monitor the *Reserve Fund Policy*.

## 6.2 Board of Directors

- 6.2.1 The Board of Directors will review the monthly financial statements for the Reserve Fund at each Board meeting to ensure compliance with this policy.
- 6.2.2 The Board of Directors will review annually the investments in the Reserve Fund, their total value and set the funding target for the minimum annual return; typically, the rate of inflation.
- 6.2.3 When the total value of the Reserve Fund exceeds the Reserve Requirement, the Board of Directors may approve, in accordance with section 1.2 in *Schedule A*, an amount to be transferred from the Reserve Fund for initial development (i.e., one-time or start-up costs) of programs or initiatives deemed to have strategic importance for the Association.
- 6.2.4 The Board of Directors will submit for information to Association members at the Annual General Meeting a report on the status of the Reserve Fund and value of the Reserve Requirement.

## 6.3 Secretariat

- 6.3.1 The Executive Director is responsible for the following activities:
  - a. Implement and monitor the Reserve Fund Policy in consultation with the Board of Directors,
  - b. Provide day-to-day management of the Reserve Fund,
  - c. Identify and bring to the Treasurer's attention any compliance issues with the provisions of the Reserve Fund Policy,
  - d. Provide monthly financial statements to the Board of Directors, which include an inventory of portfolio investments, the term of maturity for each, any deposits or withdrawals and lists investment-trading transactions within the period,
  - e. Work to attain the funding target for the minimum annual return set by the Board, and
  - f. Provide to the Board of Directors the annual list of commitments and the amounts for each which comprise the Association's Reserve Requirement.



Association of  
Canadian Archivists  
Association canadienne  
des archivistes

## **6.4 Association Members**

6.4.1 Association members are responsible for familiarizing themselves with the Reserve Fund Policy, asking questions regarding its investment rules, and reviewing the annual report pertaining to the results of the investment portfolio.

## **7.0 RELATED LEGAL, POLICY AUTHORITIES AND AGREEMENTS**

7.1 The legal and other Association Policy authorities and agreements that may bear on the administration of this policy and may be consulted as needed include but are not limited to:

7.1.1 *Canada Not-for-Profit Corporations Act*, and

7.1.2 Association of Canadian Archivists, By-Law No. 1, Article II

## **8.0 ACCESS TO INFORMATION AND PROTECTION OF PRIVACY**

8.1 The information and records made and received to administer this policy are subject to the access to information and protection of privacy provisions of Canada's *Personal Information Protection and Electronic Documents Act* and the Association's *Privacy Policy*.

## **9.0 RETENTION AND DISPOSAL OF RECORDS**

9.1 Information and records made and received to administer this policy are evidence of the Association's actions to manage its reserve funds. Information and records must be retained and disposed of in accordance with a records retention schedule approved by the Association Secretary.

## **10.0 POLICY REVIEW**

10.1 In conjunction with the Association's committee responsible for governance, the committee responsible for financial review will review this policy:

10.1.1 At least once every three years, or

10.1.2 The Association's auditor recommends a change or addition to the Association's Reserve Fund practices.

## **11.0 AUTHORITY**

11.1 This policy is administered under the Authority of the Treasurer.



Association of  
Canadian Archivists  
Association canadienne  
des archivistes

## **12.0 INTERPRETATION**

12.1 Questions of interpretation or application of this policy or its associated document shall be referred to the Treasurer and the President, who will jointly make a decision, which shall be final.

## **13.0 ASSOCIATED DOCUMENTS**

13.1 The associated document for this policy is:

13.1.1 *Schedule A: Reserve Fund Investment Rules*