

CORPORATE POLICY



Policy Title: **Surplus Allocation Policy**
Policy Category: **Financial Control**
Policy No.: FC-003
Department: Finance
Approval Date: June 26, 2006
Revision Date: April 16, 2018
Author: Julie Koppeser
Attachments:
Related Documents/Legislation: FS2012-024, CORP2018-011
Key Word(s): Surplus, Allocation

POLICY STATEMENT:

Annual Allocation of Operating Surplus.

PURPOSE:

- 1) Provide a funding source for unanticipated one-time extraordinary expenditures (Tax Rate Stabilization Reserve)
- 2) Provide a funding source for reserve that are below their recommended balance as recommended by the annual Reserve and Reserve Fund Report to Council.
- 3) Ensure surpluses are not spent until they are realized

DEFINITIONS:

N/A

SCOPE:

All Departments.

POLICY COMMUNICATION:

N/A

Mandatory Policy, *Municipal Act*: No
Policy Administration Team, Review Date:
Corporate Management Team, Review Date:

POLICY:

- 1) That the required amount of the final reported surplus be allocated to the reserves and reserve funds as requested in the annual Reserve and Reserve Fund Report.
- 2) That an annual amount of \$200,000 be allocated to the RIMPK Investment reserve.
- 3) That 50% of the remaining reported surplus will be allocated to the Tax Rate Stabilization Reserve for future one time expenditures;
- 4) That 50% of the remaining reported surplus will be allocated to the Capital Infrastructure Reinvestment Reserve.
- 5) No use or allocation of the surplus shall occur until the final surplus is reported to Council by staff.

COMPLIANCE:

In cases of policy violation, the City may investigate and determine appropriate corrective action.