



# *TOWN OF THREE HILLS*

## **POLICY # 640**

### **GENERAL OPERATING RESERVE POLICY**

**Adopted by Council on:** July 13, 2020  
**Resolution No.:** 359-2020

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#### **1. PURPOSE**

- 1.1. The purpose of this Policy is to establish a General Operating Reserve in accordance with Policy 530 – Reserves Policy, as amended.
- 1.2. The General Operating Reserve shall be used to:
  - 1.2.1. provide funding for unanticipated operating expenses in the course of providing municipal services;
  - 1.2.2. to provide funding for unforeseen general operating emergency expenses;
  - 1.2.3. to balance the current year deficit; and/or
  - 1.2.4. for non-budgeted items that require funding and Council approval during the year.

#### **2. AUTHORITY**

- 2.1. The authority for this Policy is by resolution of the Council of the Town of Three Hills.
- 2.2. This Policy shall comply with Policy 530 – Reserve Policy, as amended.

#### **3. TARGETS**

- |                                    |              |
|------------------------------------|--------------|
| 3.1. Targeted Minimum Balance:     | \$100,000.00 |
| 3.2. Targeted Maximum Balance:     | N/A          |
| 3.3. Targeted Annual Contribution: | \$25,000.00  |

#### **4. POLICY GUIDELINES**

- 4.1. The General Ledger account for the General Operating Reserve will be GL # 1-4-1200-71000 – General Operating Reserve.
- 4.2. The Chief Administrative Officer, or designate, will ensure the overall effective administration of dedicated reserves in accordance with Policy 530 – Reserves Policy.
- 4.3. Annually, in conjunction with the budget process and the presentation of the audited financial statements to Council, a list indicating the current and previous year-end balances

for this reserve will be provided.

4.4. The use of this reserve to fund any expenditure must be by way of a Council.

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