



<b>NAME</b>	Reserve Policy		
<b>TYPE</b>	Finance – General		
<b>STATUS</b>	Final	<b>VERSION</b>	2
<b>DATE APPROVED</b>	20 June 2019	<b>DATE REVISED</b>	22 September 2021

### **Purpose**

The purpose of the reserve policy for the College of Traditional Chinese Medicine Practitioners and Acupuncturists of Ontario is to ensure the stability of the mandate, vision, employment, and continuity of ongoing operations of the organization, or to offset liabilities in the event of future catastrophic unknown costs.

### **The College has two types of net assets:**

1. Internally restricted net assets
2. Unrestricted net assets

### **Internally Restricted Net Assets**

- Internally restricted net assets are reserves identified by specific need or strategic activity. These are funded based on estimates prepared by the College and can be adjusted as new information becomes available.
- Reserves can be added or retired as the operational needs of the College require, subject to Council approval.
- The College shall establish and maintain the following reserve funds: Investigation and Hearings Fund, Sexual Abuse Therapy Fund, Strategic Initiatives Fund, Contingency Reserve Fund, any other reserve funds as deemed appropriate by the Council.
- All transfers to and from reserve funds shall be approved by the Council upon recommendation of the Executive Committee unless otherwise stated.
- The details of the funds are as follows:

#### **a. Investigations and Hearings Reserve Fund**

The Investigation and hearings Reserve fund is designated to cover costs, including legal costs, for the conduct of inquiries, investigations, discipline hearings, fitness to practice hearings, the Health Professions Appeal and Review Board registration appeals hearings, and other hearings that may arise related to regulating the profession.



The amount to be maintained in this fund is \$1,000,000 or such other amount as may be determined by the Council.

**b. Sexual Abuse Therapy Fund**

The Sexual Abuse Therapy Fund is designated to cover the costs for funding for therapy and counseling.

The amount to be maintained in this fund is \$40,000 or such other amount as determined by the Council.

**c. Strategic Initiatives Fund**

The Strategic Initiatives Fund is designated to meet the anticipated future requirements of the College for strategic directions and key activities as outlined in the College's Strategic Plan.

The amount to be maintained in this fund is \$260,000 or such other amount as determined by the Council.

**d. Contingency Reserve Fund**

The Contingency Reserve Fund is designated to provide for extraordinary expenses that exceed or fall outside of the provisions of the College's operating budget and is not otherwise covered by the Investigations and Hearings Reserve Fund or to fund the College's obligations in extreme circumstances as determined and approved by the Council of the College including in the event that the College ceases to exist as a corporate statutory body.

The amount to be maintained in this fund is \$200,000 or such other amount as may be determined by the Council.

- The aggregate value of all internally restricted reserve funds shall not exceed \$3,000,000 (12 months of budgeted operating expenses) or such other amount as may be approved by the Council of the College.
- In the event there are surpluses in excess of this amount, the Executive Committee, will consider whether to recommend to Council means for reducing revenues or for increased spending in the service of the public, members, and other stakeholders, in subsequent years.



### **Unrestricted Net Assets**

- This is where residual funds available after each of the other funds has been met would be maintained.
- Unrestricted net assets shall be maintained at an amount sufficient to cover at least 6 months of budgeted operating expenses in a five-year projection or such other amount as may be approved by the Council of the College.

### **Fund Access Authorization**

- This policy will be reviewed annually by the Executive Committee. Changes to this policy are subject to the direction of the Council upon the recommendation of the Executive Committee.