Town of Sussex

POLICY

Subject		Number
RESERVE FUNDS		**C-21**
Date	Approved by	
JUNE 24, 2008	COUNCIL ☒ OTHER(S) ☐	Date **JUNE 15, 1998**
Signature	Date of revision	
Michael Timmons	**JUNE 23, 2008**	**PAGE 1/3**

The following Policy shall be in effect for the general operating reserve fund, the general capital reserve fund, the utility operating reserve fund, and the utility capital reserve fund.

In this Policy *"capital expense"* means an expenditure for a tangible asset that confers a benefit on a municipality for a period exceeding one year; and *"operating expense"* means any expense incurred by a municipality other than a capital expense.

1. GENERAL OPERATING RESERVE FUND

A. The Council may, by resolution, establish, manage and contribute to a general operating reserve fund for the payment of operating expenses.

B. The amount held in a general operating reserve fund shall not exceed five percent of the total expenditure that was budgeted for the previous fiscal year.

C. Money held in a general operating reserve fund shall be used for no purpose other than the payment of operating expenses.

D. Every resolution respecting a contribution made to a general operating reserve fund in respect of a calendar year shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the general operating reserve fund.

2. GENERAL CAPITAL RESERVE FUND

A. The Council may, by resolution, establish, manage and contribute to a general capital reserve fund for the payment of capital expenses.

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B. Money held in a general capital reserve fund shall be used for no purpose other than the payment of capital expenses.

C. Every resolution respecting a contribution made to a general capital reserve fund in respect of a calendar year shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the general capital reserve fund.

3. UTILITY OPERATING RESERVE FUND

A. The Council may establish, manage and contribute, by resolution, to a utility operating reserve fund for the payment of expenses incurred in the provision of the utility.

B. The amount held in the utility operating reserve fund, established under subsection (A), shall not exceed five percent of the total expenditure that was budgeted for the utility for the previous fiscal year.

C. Money held in the utility operating reserve fund, established under subsection (A), shall be used for no purpose other than the expenses incurred by the Town in the provision of the utility.

D. Every resolution respecting a contribution made to a utility operating reserve fund, established under subsection (A), in respect of a calendar year shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the utility operating reserve fund.

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4. UTILLITY CAPITAL RESERVE FUND

A. The Council may establish, manage and contribute, by resolution, to a utility capital reserve fund for the payment of expenses incurred in the provision of the utility.

B. Money held in a utility capital reserve fund shall be used for no purpose other than the payment of expenses incurred by the Town in the provision of the utility.

C. Every resolution respecting a contribution made to a utility capital reserve fund, in respect of a calendar year, shall be made by December 31 of that calendar year and shall specify the dollar amount contributed to the utility capital reserve fund.

5. TRANSFER FROM FUND

A. No transfer of money from a general operating reserve fund, a general capital reserve fund, a utility operating reserve fund or a utility capital reserve fund shall be made except:

- by resolution of Council; and
- within the fiscal year to which the expenditure relates.