



BOARD OF HEALTH

SECTION:	Financial	APPROVED BY:	Board of Health
NUMBER:	BOH-FIN-010	REVISED:	May 2024
DATE:	May 1, 2018		

Reserve Fund

PURPOSE:

The purpose of this policy is to provide guidance on the establishment, maintenance, and use of the reserve fund.

Policy:

The Board of Health (BOH) has the power under Section 417(1) of the Municipal Act to establish and maintain a reserve fund.

In order to ensure that Oxford Elgin St. Thomas Health Unit (OESTHU) maintains an effective and efficient operation, the BOH shall establish a reserve fund of not more than 5% of the total annual health unit budget. While the BOH reserves the right to increase this percentage, it shall seek the input of the obligated municipalities before implementing such change.

The monies noted in the reserve fund are to be used for items such as employee pay equity adjustments, vacation and sick leave entitlements, capital repairs and replacements, unforeseen program and/or corporate expenses, or any other item as deemed necessary by the BOH.

Monies in the reserve fund are not to be released for expenditure until such time as a Board resolution is successfully carried with the resolution noting the amount of money to be transferred from the reserve fund to the operating fund and for what purpose the money is to be used.

PROCEDURE:

- The amount of money to be transferred to the reserve fund on an annual basis will be determined once the annual audit has been completed and the Board has approved the audited financial statements.
- The decision regarding the amount of money to be transferred will be made by the BOH via resolution.

In accordance with Section 417 (2) of the Municipal Act and Section 52(4) of the Health Protection and Promotion Act, the Board shall seek the consent of the councils of the majority of the municipalities within the health unit area prior to establishing a reserve fund for the purpose of acquiring real property.

COMPLIANCE:

Non-compliance with this policy and any associated procedures may result in appropriate disciplinary measures.

REVISION DATES:

February 2019

May 2024