

Vancouver Island West School District 84
POLICY No. 13

Adopted: 2022-06-13

CONTINGENCY RESERVE

The Board of Education is responsible for ensuring the District is protected financially from extraordinary circumstances which would negatively impact the education of students. To discharge this responsibility, the Board endeavors to maintain a reserve fund of approximately \$550,000 when setting its annual budget.

The restricted portion of the Board's accumulated surplus may be used under the following circumstances, subject always to the Board's approval:

1. the elimination of any deficit arising at the end of a fiscal year of operations;
2. the incurring of new cost pressures in a fiscal year that were not known at the time of budget development;
3. the payment of severance (wages and benefits) in excess of \$100,000 upon termination of a non-Union employee without cause;
4. the settlement of any legal action that is not covered by the School Protection Program;
5. initial one-time cost outlays for new educational programs where an investment in d learning resources is required;
6. coverage for disaster recovery expenditures;
7. extraordinary unknown utilities cost pressures;
8. replacement of equipment essential to the continuation of educational programming in schools or District facilities.
9. to appropriate to balance the next year's budget.

When the reserve is used, the Board will incorporate into its future budget planning strategies to re-establish the reserve. Such strategies may be implemented over a period of two years.

Legal Reference: Section 65, 85, 110, *School Act*