



TOWN OF PINCHER CREEK POLICY



Approved by: Council	Date: November 14, 1994	Policy Number: 107-12
Reference: Resolution #94-481	Revision Date/by: Council March 26 th , 2012 Resolution #12-120	
Title:	TRUST AND RESERVE POLICY	

1. Policy Statement

The Town of Pincher Creek shall provide guidelines for the provision of trust and reserve accounts and the distribution and utilization of interest earned on investments.

- 1.1 Capital – any item or project that will have a useful life of more than one year and the cost exceeding \$5,000.
- 1.2 Capital Reserve – funds designated by legislation to be held in reserve for future capital expenditures.
- 1.3 General Operating – funds generated by the Town for current year's operations.
- 1.4 Operating – an expense that is assignable only to the current year.
- 1.5 Operating Reserve – funds generated by the Town set aside to cover future expenditures.
- 1.6 Trusts – funds granted or donated by persons or agencies designated for specific purposes.
- 1.7 Unallocated Balance – funds that have not been identified in the current year for a specific purpose.

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2. Responsibilities

2.1 Council

2.1.1 Review and approve the trust and reserve accounts to be allocated interest.

2.2 Chief Administrative Officer

2.2.1 Annually review and recommend those trust and reserves to be allocated interest

2.3 Director of Finance and Human Resources

2.4.1 Ensure interest is distributed in accordance with this policy to those funds as required by legislation or agreement.

2.4.2 Ensure that use of funds is in accordance with legislation or agreement.

2.4.3 Provide recommendations to changes to the trust and reserve accounts to be allocated interest and the trust and reserve accounts not allocated interest.

2.4 Director of Finance and Human Resources

2.4.1 Distribute all interest earned in accordance with this policy.

2.4.2 Report to Council on a yearly basis all interest earned and balances thereof.

3. Procedures

3.1 Interest shall be accounted for and distributed annually based on a proration of the year and balances of the following accounts.

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3.1.1 Unallocated reserve funds balance.

3.1.2 Trust account balance.

3.1.3 The remainder to be designated general funds and transferred to Unspecified Contingency Reserve.

3.2 Interest earned on investments shall become part of those funds. Any withdrawal from these funds shall have prior approval of Council.

4. End of Policy