

LAKELANDS PUBLIC HEALTH (LPH)

Policy	Reserve Fund
Section	Board of Health
Number	02-15
Policy Lead	Board of Health
Approval Level	Board of Health
Original Approval	2026-04-15
Reviewed/Revised	2026-04-15
Next Review	2028-04-16
Associated LPH Procedures and Forms	Procedure – Reserve Fund

POLICY

PURPOSE

The purpose of this policy is to provide guidance on the establishment, maintenance, and appropriate use of the Reserve Fund of Lakelands Public Health (LPH).

DEFINITIONS

Emergency is defined as a significant and unplanned event, which cannot be responded to from the operating budget.

Reserve Fund is defined as designated funds to manage unanticipated expenditures, manage financial risk, ensure financial stability, and fund capital projects.

POLICY STATEMENT

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

The establishment of a reserve fund is a prudent financial management practice.

POLICY DETAILS

The Board of Health (BOH) shall establish a Reserve Fund to ensure an appropriate level of financial resources to protect against unpredicted liabilities, cover contingency or emergency expenses and provide for future capital requirements.

The Reserve Fund shall account for retainable surplus funds generated through operations.

The Reserve Fund will be restricted for unforeseen program and/or corporate expenses,

contingencies, minor capital repairs and replacements, or any other expense as deemed necessary by the Board.

Expenditures from the Reserve Fund shall be approved by the Medical Officer of Health/Chief Executive Officer (MOH/CEO) and/or Board Signatories in accordance with signing authority limits established in the by-law to govern the banking and financial activities.

PROCEDURE – RESERVE FUND

PROCEDURE DETAILS

To ensure an effective and efficient operation, the BOH shall establish and maintain a Reserve Fund. The Reserve Fund shall be maintained at a minimum of five percent (5%) of the annual operating budget, at all times, unless an exceptional situation is reviewed and approved by the Board of Health.

The funds in the Reserve Fund will be kept in an interest-bearing account to enable growth of the Reserve Fund balance.

Release of Funds

Monies in the Reserve Fund are not to be released for expenditure until a Board resolution is successfully carried and the resolution states the amount of money to be transferred and the purpose.

The use of either Reserve Fund is at the discretion of the Board of Health, with general direction provided in this policy as to the amount of the fund and a plan for its replenishment, if utilized.

Replenishment of Funds

Audited, unexpended municipal funds for program activities are eligible to be transferred to LPH's Reserve Fund.

Replenishment of the Reserve Fund to maintain the minimum approved level will occur through the transfer of unspent municipal funds from the annual operating surplus, at the discretion of the Board of Health on advice of the MOH/CEO and/or the Auditor.

The Reserve Fund will be reviewed annually by the BOH.

ADDITIONAL INFORMATION

RELATED LPH DOCUMENTS

By-Law 2 - Banking and Finance

By-Law 5 - Duties of Officers and Management of Board

VERSION HISTORY

DATE	LEAD	DESCRIPTION
2026-04-15	A. Gorizzan	Original