



Reserve Fund Policy

The Manitoba College of Social Workers (the College) is a member-based statutory professional regulatory body that is independently funded, primarily through membership fees. The College does not receive ongoing funding from government or any other external resource. In keeping with its fiduciary responsibilities, the College must have appropriate operating/contingency reserve funds available to provide for ongoing expansion and unanticipated expenses.

A reserve fund allows for appropriate financial adjustments beyond the constraints of the fiscal year. It also provides for future development, renewal and expansion of both programming and infrastructure, which is a desirable goal for the College.

General Policy

1. Withdrawals from the reserve fund are subject to approval by the Finance Committee and Board of Directors.
2. The appropriate level of operating/contingency reserve fund balance will be subject to review by the Finance Committee.

Operating Guidelines

1. The College will strive to maintain a reserve fund for the following purposes:
 - a. to offset an annual deficit;
 - b. to cover unpredictable/fluctuating College expenses
 - c. to fund legal expenses
 - d. to fund program support/development
 - e. to fund specific projects/one-time expenditures (i.e. database, infrastructure)
 - f. to ensure succession planning/severance, etc.
2. The Executive Director/Registrar will identify needs to withdraw funds from the reserve and present as part of the budget and/or submit specific requests to the Finance Committee for review and consideration. If approved by the Finance Committee, reserve fund withdrawal requests will be presented to the Board of Directors for consideration of approval.
3. Approved expenditures from the reserve fund will be reflected as a separate entry apart from the annual operating budget.
4. Target amounts for reserve funds shall be as follows:
 - Operating Reserve Fund – 25% of annual operating budget
 - Legal Reserve Fund - \$1,000,000

- Capital Investment Fund – based on projected capital expenditures identified by the Board

The Reserve Fund Policy is implemented in conjunction with the MCSW Investment Policy.

Approved by the MCSW Board February 22, 2018, amended June 27, 2018

Reference: Operating Reserve Policy Toolkit for Non-Profit Organizations, National Centre for Charitable Statistics, Centre for Non-Profits and Philanthropy at the Urban Institute, and United Way Worldwide, September 2010.