

POLICY

Title of Policy:	General Reserve Policy
Policy Number:	
Author (position):	Director of Business Services
Approved By:	<input checked="" type="checkbox"/> Commission -OR- <input type="checkbox"/> Executive Team
Adoption Date:	September 14, 2009
Last Review/Revision Date:	August 22, 2018
Last Review/Revision Approval By:	<input checked="" type="checkbox"/> Commission -OR- <input type="checkbox"/> Executive Team

1.0 PURPOSE:

- 1.1 The purpose of this policy is to assist NEW Water and its Commission in the use of financial institution accounts for the receipt of revenues and payment of expenses associated with NEW Water operations and maintenance activities, to establish targeted working capital balances, and to delineate accounting standards for the NEW Water General Reserve.

2.0 SCOPE:

- 2.1 This policy applies to NEW Water's General Reserve.

3.0 PROGRAM AUTHORITY: (Not Used)

4.0 POLICY:

- 4.1 NEW Water will account for financial transactions associated with its operations and maintenance activities through consistent application of generally accepted accounting principles.
- 4.2 The NEW Water General Reserve is used to track and report on financial transactions, effected through financial institution accounts held by NEW Water.
- 4.3 The NEW Water General Reserve financial institution accounts serve as the repository and payment instruments for the receipt of revenues and payment of expenses made by NEW Water in the conduct of operations and maintenance activities.
- 4.4 The NEW Water General Reserve will target 120 days with a minimum of 70 days of working capital of the annual budgeted NEW Water operations and maintenance expenses, based upon the budget established for that given year.
- 4.5 NEW Water will apply principal interest proceeds to the General Reserve and shall have discretion to use such interest proceeds for the payment of expense needs by NEW Water for operations and maintenance activities, subject to alternative use of the General Reserve, as designated by the Commission of NEW Water.

5.0 DEFINITIONS: (Not Used)

6.0 PROCEDURE: (Not Used)

7.0 POLICY VIOLATION: (Not Used)