



Policy number	GP-26
Policy name	College Funds
Approved	May 27, 2022
Last reviewed	May 25, 2024
Scheduled review	Q2 2026

POLICY

The *Health Professions Act* establishes the College as a corporation and authorizes the College to make Bylaws respecting costs, fees, levies, and assessments. The College Bylaws authorize the collection and disbursements of funds to carry out the College business and to make any necessary assessments as determined by Council.

Restricted Funds refer to a reserve of money that can only be used for specific projects or purposes and to ensure the business of the College continues through revenue shortfall, unforeseen financial burden such as complex professional conduct issues, audit, or uninsured/underinsured loss. These funds are established using surplus revenue over expenses after the fiscal year-end unless Council determines the need for other sources of funding.

The reserve funds will be reported in the financial statements as internally restricted funds.

Reserve Funds

Use of Reserve Funds

The Executive Director will identify to Council any need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the period for which the funds will be required and replenished. Reserves are established and replenished through surplus unrestricted operating funds.

Council must approve the transfer of a requested reserve fund, or part thereof, into the College's unrestricted general account. Council is responsible for any use of reserve funds.

Note: The Executive Director does not require Council approval to access the Treatment and Counselling Reserve Fund. The Executive Director will ensure activity of the Treatment and Counselling Fund is included without identifiers in the financial reports to Council and in the Annual Report.

Replenishment of Reserve Funds

The College's goal is to replenish the funds used within 36 months of disbursement to restore the reserve funds to their target minimum amounts. Regular reporting will be provided to Council on the status of the funds and their replenishment status, as appropriate.

Review of Reserve Funds

The funds' target minimums will be reviewed by Council annually considering the audited financial statements. The amount of the reserve funds will be reported in regular financial reports and in the audited financial statements.

Accounting for Reserve Funds

All reserve funds are recorded in the annual audited financial statements. These funds are funded and available in cash or cash equivalents and are held in segregated bank accounts or investment funds in accordance with investment policies.

FUNDS

Restricted Operational Reserve Fund



This fund was established by Council to build and maintain unrestricted net assets required to support the organization's day to day operations and regulatory responsibilities in the event of unforeseen expenses or budgetary shortfalls. The reserve may also be used, under the direction of Council, for one-time, nonrecurring expenses, such as legislative review, as staff development, program review or development, investment in infrastructure or other expenses as determined by Council. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budgetary shortfall. This Operating Reserve Policy will be implemented in conjunction with the other financial policies of the College.

The target minimum for the Operational Reserve Fund is nine to 12 months of average recurring operating costs.

Restricted Treatment and Counselling Reserve Fund

This fund is created to ensure the College can meet the requirement of paying for treatment and counselling for patients who have alleged sexual abuse and/or sexual misconduct by denturists or provisional denturists. The fund is available to cover the cost, up to the maximum amount set out in the *Funding for Treatment and Counselling Regulation*, of treatment and/or counselling for such patients. The fund will be administered by a third party; payment may only be made directly to a healthcare provider who is providing the treatment or counselling and within the terms of the contract the College negotiates with the third party. The administration fees payable to the third party for administering the fund will also be drawn from this fund.

The target minimum for the Treatment and Counselling Reserve Fund is equal to the sum of the amounts applicable to:

-  the maximum amount of disbursement for two complaints of professional misconduct involving sexual abuse and/or sexual misconduct perpetrated by a dentist or provisional dentist towards a patient.
-  A buffer amount of \$10,000 to cover any administrative fees.

This fund does not require a motion of Council for access.

Restricted Fair Registration Practices Act Audit Reserve Fund

As per the *Fair Registration Practice Act*, the Fairness to Newcomers Office may audit the registration practices of a College. The College is responsible for the costs associated with that audit. The goal of this reserve fund is to cover the cost of the audit.

The target minimum for the Fair Registration Practices Act Audit Reserve Fund is \$25,000.

Restricted Emergency Response Reserve Fund

The Emergency Response Reserve Fund exists so that the College may be prepared to absorb any budgetary operational and legal overages resulting from an emergency (i.e., pandemic).

The target minimum for the Emergency Response Reserve Fund is \$10,000.

Unrestricted Funds

Unrestricted funds support the mission of the organization and do not have a required specific use. Spending is at the discretion of management. The College strives to maintain approximately three months of operational costs in the unrestricted general fund.

DEFINITIONS






Pandemic: an epidemic occurring over a very wide area, possibly crossing international boundaries, and usually affecting a large number of people

Patient: as per the College of Alberta Denturists Standards of Practice

APPENDICES

none

REFERENCES

-  College of Registered Dental Hygienists of Alberta (2021). Internally Restricted Funds Policy. Edmonton: Author.
-  College of Alberta Dental Assistants (2019). Reserve Funds Policy. Edmonton: Author.
-  College of Dental Technologists of Alberta (2021). Operating Reserve Fund Policy. Edmonton: Author.
-  Government of Alberta. (2000). *Health Professions Act*. Edmonton: Author. Available at: www.qp.alberta.ca/documents/Acts/h07.pdf
-  Government of Alberta. (2002). *Denturists Profession Regulation*. Edmonton: Author. Available at: Government of Alberta. (2000). *Health Professions Act*. Edmonton: Author. Available at: www.qp.alberta.ca/documents/Acts/h07.pdf

DOCUMENT HISTORY

Date	Action	Rationale
09/04/2021	Initial approval	Required
27/05/22	Review and update	As scheduled
17/03/23	Review and update	As scheduled
22/04/24	Review and amend	To reflect Council direction
25/05/24	Review and amend	Update