

Tumbler Ridge Community Forest Corp.



Company Policy		Department:	Management	Policy #: POL - 07	
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		Implementation Date:		October 27, 2014	
Subject:	Reserve Fund Policy	Last Reviewed/Update Date:		October 27, 2014	
Approval:	Original signed by	Author:		Duncan McKellar	

1. Purpose

To establish clear and unambiguous policies for Directors and management staff to follow regarding the financial management of a “reserve fund” to a minimum amount of **\$250,000** for TRCF to ensure continued operations and for emergency use during downturns in the forest industry.

2. Scope

This policy applies to Directors and the Operations Manager for TRCF. This policy includes components typically or often required for directors and managers but does not provide an exhaustive, comprehensive list of procedures for all situations. The TRCF will update policies as required.

3. Prerequisites

It is the responsibility of all TRCF Directors and management staff to act in good faith in following the intent of this policy.

4. Conduct

The Directors and management staff shall:
Agree with this policy and its intent to keep the business viable in economic downturns

5. Responsibilities

The following outlines the general requirements for this policy.

- a) The financial objective of TRCF is to establish a financial reserve to provide for twelve months of operating income.
- b) Prior to any withdrawals from this fund, the Board must authorize the use of the money and construct a plan to build the reserve funds back to the minimal level within an agreed to timeline.
- c) The funds in the reserve fund are financed by surpluses from operations. The reserve funds are not to be used for disbursements for community projects.

7. References

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Wetzin'kwa Community Forest Corporation Reserve Fund Policy 2008.
 Tumbler Ridge Community Forest 2013 Year - Income Statement.
 Reserve Fund Policy of Wells Grey, McBride and Wetzin'kwa Community Forest Corporations.

8. Definitions

TRCF - Tumbler Ridge Community Forest Corporation.