

# BOARD OF GOVERNORS – Executive Limitations

Policy #: **EL 5 Restricted and Unrestricted Net Assets**

Original Implementation Date: June 21, 2016

Most Recent Activity: January 21, 2020 – *Revised Policy Approved*

Next Mandatory Review Date: 2021-2022

Frequency of Reviews: Every three (3) years



---

The President and CEO will not fail to

1. maintain "Restricted Net Assets - Working Capital" between 2% and 5% of budgeted annual revenues to be used towards Innovation and Opportunities and fiscal stabilization.
2. inform the board if "Unrestricted Net Assets" goes into a deficit position, and provide the board with a plan of action required to restore operations to a balanced or surplus position.
3. allow any transfer of funds into or out of an internally restricted net asset account (reserve) unless said transfer is approved by the board through a separate resolution.