

**BOARD OF EDUCATION  
School District #33 (Chilliwack)**

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**235.1  
BOARD REGULATION  
Accumulated Operating Surplus**

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The Board will attempt to maintain a contingency reserve of 3.5 percent of annual operating expenses. Excess funds above the desired target may be considered for allocation through the budget process.

When use of the contingency reserve reduces the balance below what is determined to be sufficient, the Board of Education will adopt strategies for replenishing the contingency reserve within an appropriate timeframe.

Accumulated Operating surplus should not be transferred to Local Capital without supporting detail of what capital projects these Local Capital funds will be spent on. This will normally occur during the budget process, or through approval by Board motion.

Operating surplus funds may be internally restricted. Amounts should not be internally restricted that will not likely be spent within 3 years. The Board will provide information in the Notes to the Financial Statements identifying internally restricted surpluses, as well as details of the restrictions placed on these funds.

The projected Operating Surplus balance should be reported to the Board when presenting the annual Preliminary and Amended budgets.