



Operating Reserve Fund-Line of Credit

Executive Limitations

Policy Number: EL-8

Date of Approval	Responsible Authority	Last Revised
September 20, 2019	CMLTM Council	September 18, 2026

Policy

The Operating Reserve Fund was established by Council with the intention that the funds are to be used in the event CMLTM experiences an operational deficit and is unable to meet its current financial obligations.

Council has established a goal of \$150,000 for the operating reserve fund. This goal will be achieved through a Line of Credit from CMLTM's current financial institution.

The Line of Credit will only be accessed in the event that the cash available has been depleted and there is a risk CMLTM would default on its financial obligations. The Registrar will immediately notify Council of the risk of default and the financial obligations before the Line of Credit funds are accessed.

The Line of Credit funds will only be used for essential operational costs. The Registrar will employ cost saving measures and suspend any discretionary spending.

Any outstanding balance on the Line of Credit after November 15th will be "paid off" with proceeds from the deferred revenue collected during renewals. The budget for the following year will be adjusted to accommodate the funds used to pay the Line of Credit balance.

Revision History

- September 20, 2019 – Date of Approval
- June 8, 2022
- December 11, 2024
- September 18, 2026 – Last Date of Revision