

## Canadian Chapters Unanimous in support of Canadian Institute Reserves

All twelve Canadian IIA Chapters have come out strongly and unequivocally in support of the financial viability of a future Canadian Institute. All have, according to their individual chapter means, put real dollars on the table as seed money for a Canadian Institute Reserve Fund. A total of \$270,000 has been pledged. Importantly however, the leaderships of each chapter have committed the funds in a manner that addresses their responsibilities to their own chapter members. To that end, they have created a governance framework which will provide constant oversight on the use and status of those funds. The details of that framework are contained in the now ratified “Operating Contingency Fund Policy” a copy of which is available to any chapter member. The main components of that policy are:

- As the name implies, these are contingency funds to be used as a last resort by a future Canadian Institute. The reserve fund of the Institute will have three components:
  - Funds generated by the various corporate and individual member founding partner programs;
  - Funds made available to the Canadian Institute by IIA North America, and
  - The Operating Contingency Fund which can only be accessed after the other two have been depleted.
- Regular financial reporting and monitoring will ensure that long before there is a need to call on the Chapter Contingency Fund there will have been enough warnings of financial troubles to launch remedial measures.
- In any event, access to the contingency fund will only be on the basis of direct instruction from the Canadian Institute Board of Directors.
- The District Representatives are full members of that Board. As such, they will be receiving quarterly financial reports that will include statements on the contingency fund. That same information will then be conveyed to the Chapter Presidents who also meet quarterly as the Chapter Relations Committee. In this manner, oversight of the contingency funds will be maintained by the chapter leaders.
- The funds will be made available to the Canadian Institute when it becomes operationally independent from IIA North America (target date remains January 1, 2013).
- The funds are offered, in the first instance, for a period of five years and renewable for one-year terms annually thereafter.

- Because the Canadian Institute is committed to eventually returning the funds, its accounts will show the contingency fund as an asset and a liability on the balance sheet.
- As the reserve fund is built up from operating revenues, so the funds owed to the Chapters will be returned in an equitable manner.
- The IIA Canada policy on investment will also apply to the contingency funds.

All this has been developed by a Chapter Relations Committee Working Group chaired by Scott Page from the Toronto Chapter. The policy was recommended for approval by the Chapter Relations Committee in March, 2012 and approved by the IIA Canada Interim Canadian Board on March 30, 2012. The Policy serves as the governance and accountability framework to ensure the Chapter's funds are safeguarded while providing critical capacity for IIA Canada to demonstrate financial viability in its formative years.