



RESERVES POLICY

November 23, 2015

Cash Reserves Policy Purpose and Governance

- Purpose

The purpose of the Cash Reserves policy is to ensure the stability of the mission, programs, employment and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as cash flow stability, capital investment and opportunity investment.

- Authority

The CFO and/or CEO/ED will identify the need for access to reserves. Authority to use Reserves is delegated to CEO/ED.

- Oversight

Use of Reserves must be reported to the Finance Committee, including records regarding the use of funds and the replenishment plan when applicable.

Types of Reserves and Proposed Targets

- Working Capital/Operating Reserve - an identified (unrestricted) fund balance that is set aside to protect the organization against unbudgeted expense, cash flow disruption and unexpected events – Proposed target \$15M or 6 months of operating costs, whichever is less.
- Capital Reserve - an identified (unrestricted) fund balance that is earmarked for capital investment – Proposed target \$10M
- Opportunity Reserve – an identified (unrestricted) fund balance that is intended to provide funds for special targets of opportunity or organizational capacity building – Proposed target \$3.5M