

Financial Reserves Policy

Operating Reserve

The Operating Reserve serves two purposes:

1. It serves to provide funds in the event that the uneven nature of revenue receipts and necessary expenditures leads to a temporary shortage in the Congregation's operating account.
2. It serves to provide funds in the event that there is a revenue shortfall or overspending in a fiscal year.

The amount of money in the Operating Reserve should equal three months of budgeted annual revenue.

The Operating Reserve may be used at the Treasurer's discretion. However, the Treasurer shall notify the Board of Directors immediately when any of these funds are used.

Building Maintenance Reserve

The purpose of the Building Maintenance Reserve is to fund major cyclical maintenance tasks that occur less often than annually. Examples of these tasks include, but are not limited to, roof replacement, painting the building, and repair or replacement of the heating and cooling system. It also may be used to fund emergency repairs to the building.

The Building and Grounds Working Group (B & G) shall provide to the Board of Directors an updated list of major cyclical maintenance tasks, with their estimated frequency and approximate cost, annually by the start of the budget development process (currently November 1).

The Board of Directors shall use this list to establish the necessary level of funding for the Building Maintenance Reserve.

B & G shall give advance notice to the Board of Directors of plans to perform any tasks to be funded by the Building Maintenance Reserve, preferably during the annual budget planning process. Approval by the Board of Directors is required before such tasks may begin and money from the Building Maintenance Reserve may be spent.

Capital Improvements Reserve

The purpose of the Capital Improvements Reserve is to fund modest changes to our building and grounds.

The amount of money in the Capital Improvements Reserve should be maintained at \$5,000.

Capital improvement projects costing more than the balance in the Capital Improvements Reserve shall be funded through capital campaigns.

Prior approval by the Board of Directors is required before beginning a project to be funded by the Capital Improvements Reserve.

– approved by Board of Directors April 19, 2017