

Financial Reserves Policy
Borderlands Unitarian Universalist

Operative Reserve

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.
3. 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.
4. The amount of money in the Operating Reserve should equal three months of budgeted annual revenue

Building Maintenance Reserve

1. The purpose is to fund major cyclical maintenance tasks that occur less often than annually. Examples: roof replacement, painting the building, and repair or replacement of the heating/cooling system. These are only examples, and the fund is not limited to these examples. It may also be used to fund emergency repairs to the building.
2. The Building & Grounds Committee 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

1. The purpose of the Capital Improvements Reserve is to fund modest changes to our building and grounds.
2. The amount of money in the Capital Improvements Reserve should be maintained at \$5,000. Projects costing more than the balance in the Capital Improvements Reserve shall be funded through capital campaigns.
3. Prior approval by the Board of Directors is required before beginning a project to be funded by the Capital Improvements Reserve.

****This policy supersedes any pre-existing policy**

Adopted March, 2024