

NAME OF ORG

POLICY STATEMENT – BOARD-DESIGNATED FUNDS

CASH RESERVE FUND

and CAPITAL AND STRATEGIC INITIATIVES FUNDS (*Optional*)

**CASH RESERVE FUND**

**Statement of Purpose**

(Define purpose(s) of this ORG’s cash reserve)

The ORG board of directors established a NAME OF FUND by resolution at its DATE board meeting. The general purpose of the fund is to \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

ORG will maintain a Cash Reserve Fund for the following specific purpose(s):

1. To \_\_\_\_\_  
\_\_\_\_\_.
2. To \_\_\_\_\_  
\_\_\_\_\_.

**Reserve Fund Balance**

(Describe the establishment of the fund. Include such details as:

- Current cash-reserve-fund balance, if any
- Planned addition or establishment of reserve using identified grant money and, if applicable, whether any required matching money is to be designated as part of the reserve fund
- The ultimate goal amount for the fund if greater than the current amount
- The timeline and incremental plan for reaching the desired ultimate fund balance if applicable)

**Use of the Reserve Fund**

(Describe terms and use of the fund.)

Monies borrowed from the Cash Reserve Fund will be paid back through a prescribed repayment schedule/method.

1. To access funds from the Cash Reserve, (Finish this statement by answering questions such as: What is the process for requesting? What approvals are required? What communication methods are acceptable? etc.) \_\_\_\_\_

2. A repayment schedule will be \_\_\_\_\_

**Management of the Reserve Fund**

(Define who is responsible for managing the fund including opening and/or monitoring bank accounts. State whether a separate account is required. Define accounting procedures, reporting requirements, and disposition of interest income.)

**Authorization of Expenditures from the Reserve Fund**

(Define terms and conditions for outright expenditures from the fund that will not require replacement with operating funds, if this is deemed to be permissible by the board, for instance, to respond to an unforeseen opportunity.)

*OPTIONAL:*

**FUNDS DESIGNATED FOR CAPITAL PURCHASES AND STRATEGIC INITIATIVES**

(Describe the process the board will follow to create/update a capital budget and designate funds relevant to identified objectives of a strategic plan, for example, Equipment Maintenance & Replacement, Human Resource Capacity Building, New Program Initiative. Describe how the funds will be shown on financial reports (as a separate line item in net assets as board designated, for example) and who will be responsible for the reports.)

**RESPONSIBILITIES OF THE FINANCE COMMITTEE REGARDING DESIGNATED FUNDS**

(Describe the responsibilities of the finance committee with regard to designated funds oversight. How will the committee monitor the activity in the funds? How often and in what manner will they report to the board about funds' activity?)