

Sportable

Operating Reserve Policy

Purpose: The purpose of this operating reserve policy is to build and maintain an adequate level of unrestricted assets to support the day-to-day operations in the event of unforeseen revenue shortfalls or unexpected expenses (e.g. a “rainy day fund”). The reserve may also be used for one-time, non-recurring expenses related to board approved strategic initiatives.

Policy: Sportable will have a target of having accumulated operating reserves equal to three month average operating costs. This target will be reviewed on an annual basis and adjusted in response to internal and external changes. The Operating Reserve funds will be held in a distinctly segregated and reported bank account.

Procedure:

1. The operating reserve will be held in a distinctly identified account. Sources for funding the operating reserves shall include year-end operating reserves, operating budget transfers, one-time gifts/grants specifically designated for operating reserves or other sources designated by the Board of Directors.
2. The Executive Director may independently access funds from the operating reserves account in an amount not to leave a balance of less than \$47,205 (which is equal to one month’s average operating costs in FY2018).

The Executive Director will report to the Board of Directors at the next meeting:

- a) The amount of the operating reserve draw
 - b) The expenses to be paid by with the reserve draw
 - c) Rationale for the draw
 - d) Plan and timeframe for replenishment of the operating reserve fund
3. If the Executive Director wishes to access funds from the operating reserve that would leave a balance of less \$47,205, then he/she needs to communicate the above items (2a-d) to the Finance Committee for review and action.

Policy approved by Board of Directors, June 15, 2018.

This policy will reviewed annually and revised to define the average monthly operating costs.