



RESERVE FUND

7.3. RESERVE FUND

The reserve fund is an accumulated emergency fund, intended to "tide the organization over" in cases of emergency or unexpected opportunity. The nature of these funds is that they should be more liquid and accessible. Therefore, the reserve fund does not include the Commission's investment in real estate or other assets such as furniture and equipment. The reserve fund is distinct from operating funds.

7.3.1. Maintenance of a Reserve Fund

The Commission on Secondary Schools will maintain a reserve fund for the following purposes:

- a.) to provide a cushion of funds for emergency operational needs and unforeseen contingencies, circumstances, and/or calamities
- b.) to fund the design and initial implementation of new projects, not covered by the operational budget, that are directly related to the achievement of the CSS mission and are critical to the accomplishment of the CSS strategic plan.
- c.) to fund the pursuit of opportunities that present themselves during the budget year.

7.3.2. Reserve Fund Balance

The reserve fund balance shall be increased to and maintained at a level equal to at least 50% of the CSS annual operating expenditures. Monies expended from the reserve fund will be paid back through a prescribed repayment schedule.

7.3.3. Management of the Reserve Fund

Management of the reserve fund will be the responsibility of the Executive Director.

7.3.4. Authorization of Expenditures from the Reserve Fund

Expenditures from the reserve fund must be authorized by the Finance Committee and reported to the full Commission at its next full meeting.

7.3.5. Responsibilities of the Finance Committee Regarding the Reserve Fund

The Finance Committee shall assume the following responsibilities with regard to the reserve fund.

- a.) Approve the use of reserve funds.
- b.) Review the reserve fund balance on an annual basis.
- c.) Report annually to the Commission on projects approved, income earned by the reserve fund, expenditures made, and where reserve funds are invested.
- d.) Ensure that all unused or unallocated money, at the end of each fiscal year, is returned to the reserve fund.

Policy # 7.3.1-7.3.5. _____

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