

## CCD Reserves Policy

The purpose of the Reserves Policy is to ensure the stability of the CCD's operations and to provide a source of internal funds for organizational priorities.

**Operating Reserve:** The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted or under-budgeted expenses, unanticipated loss in funding, or uninsured losses. Operating reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

The target minimum Operating Reserve fund is at least three (3) but no more than six (6) months of average operating expenses. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, professional services, CCD meeting costs, and accommodation fees. The organization's goal is to replenish the funds used within twelve (12) months to restore the Operating Reserve fund to the target minimum amount. Any decrease in the Operating Reserve should amount to no more than 20% of the Operating Reserve at the beginning of the fiscal year.

The Operating Reserve will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for operating reserves. Set out below is the process for requesting use of reserve funds:

1. The CCD Board, a CCD officer, or a CCD Task Force identifies the need to access the Operating Reserve and submits a written recommendation that includes an analysis and determination of the use of the fund.
2. The Board will approve, deny, or modify the request and authorize use of the fund in writing. Only requests that receive 67 percent of the full board will be approved.
3. Upon approval, the CCD Chair will designate an officer or Task Force co-chair responsible for maintaining and submitting records of the use of the funds.
4. The Board will identify plans for replenishment to restore the Reserve Fund to the target minimum amount within twelve (12) months.

December 31, 2014