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**POLICY CATEGORY: 4. DAILY OPERATIONS**

**POLICY TYPE: 4.B. FINANCIAL MANAGEMENT AND STEWARDSHIP**

**POLICY TITLE: 4.B.3 Investment Management (Reserve Fund)**

Approved by Board of Directors – 11/7/17

**PURPOSE**

Operating reserves are necessary components of Together SC’s overall financial management strategy and a key factor in assessing its financial strength and fiduciary integrity. The Reserve Fund assures that adequate cash flow is maintained and allows for the mitigation of short-term revenue shortages.

**RESERVE FUND**

Together SC shall establish a Reserve Fund as approved by the Board of Directors. The Reserve Fund shall have a target minimum balance of $100,000.

The Reserve Fund shall be maintained in its own account with the financial institution which holds Together SC’s other accounts.

**REPORTING COMPLIANCE**

Each fiscal quarter management will report on the balance of the Reserve Fund and compliance to the target minimum balance to the Finance Committee in its quarterly financial reports. The Finance Committee will report on compliance to the Board quarterly in its quarterly financial statements.

**WITHDRAWAL AND USE FROM THE RESERVE FUND**

Examples of appropriate uses of the Reserve Fund include meeting a short-term cash flow need, seizing opportunities to enhance mission programs, responding to spikes in demand for services, or sudden decreases in demand, and making planned capital purchases.

The President makes the initial determination that a withdrawal from the Reserve Fund is needed and submits a recommendation to the finance committee. The final recommendation is approved by the board. If the requested withdrawal would cause the balance of the Reserve Fund to drop below the target minimum balance, then the request will include the plans for restore the Reserve Fund to the target minimum balance within one (1) year.