

**Reserve Fund Policy:** It is the policy of the Board of Directors to establish a Reserve Fund account in the name of ACCCA in order to cover expenses associated for operational purposes.

*4.1.2 Reserve Fund Definition and Process:*

The ACCCA Reserve Fund is an account maintained separately from the General Fund and designated for a specific stated purpose. Reserve Funds are transferred from the Association's General Fund account on a monthly or as available basis to achieve a minimum growth of \$12,000 annually.

In order to ensure the continued operation of ACCCA, the Reserve Fund is a restricted fund intended to cover *at least three months of operational or contracted expense* in the event that the general fund is not sufficiently funded to do so.

*4.1.3 Reserve Fund Target, Management and Authority to Expend:*

The ACCCA Reserve Fund target is \$135,000, which represents approximately 3 months of operating funds based on the Association's current operational budget. This target is reviewed and adjusted regularly by the Finance Committee based on the needs of the Association.

Under the guidance of the Finance Committee, the Executive Director may accrue surplus funds after meeting the annual minimum Reserve Fund transfer, for the purpose of establishing an annual contingency within the General Fund. This will ensure that month to month expenses are covered during times when budgeted expenses exceed the revenues in any given month.

The status and rules governing the accumulation and disbursement of the Reserve Fund will be reviewed annually by the Finance Committee and the Committee shall make recommendations to the Board as appropriate.

The Executive Director shall have authority to maintain the Reserve Fund, including authorizing all transfers to the fund and disbursements from the fund as necessary and the Executive Director is required to inform the Finance Committee when those transactions occur.