

**Grapeview Community Association**  
**Cash Reserve Fund Policy**  
**Effective Date: 04/01/2021**

**Purpose.** The purpose of the Cash Reserve Fund Policy for the Grapeview Community Association is to ensure the stability of the mission, programs, and ongoing operations of the organization. The Cash Reserve Fund is intended to provide an internal source of funds for situations such as a sudden increase in expenses, onetime unbudgeted expenses, unanticipated loss in funding or uninsured losses. Cash Reserve funds are not intended to eliminate an ongoing budget gap.

**Definition.** The Cash Reserve Fund is defined as a designated fund set aside by action of the Executive Board. The minimum amount to be designated in the Cash Reserve Fund will be \$35,000.00. The Cash Reserve Fund serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The Board President is responsible for ensuring that the Cash Reserve Fund is maintained and used only as described in this Policy.

**Funding.** The Cash Reserve Fund will be funded with surplus unrestricted operating funds as determined by the Executive Board. In addition, the Executive Board may also direct that a specific source of revenue be set aside in the Cash Reserve Fund, e.g., one-time gifts, bequests or special grants. If the Cash Reserve Fund drops below the minimum designated amount, the Executive Board will make a plan for it to be replenished within a reasonably short period of time or make a plan to discontinue the Cash Reserve Fund.

**Accounting.** The Cash Reserve Fund will be recorded in the financial records as Board-Designated Cash Reserve Fund. The amount of the Cash Reserve Fund will be included in the Treasurer's regular financial reports. The Treasurer will also maintain records of the use and replenishment of the Cash Reserve Fund.

**Use of Cash Reserve Fund.**

- The Executive Board will identify the need to access the Cash Reserve Fund and confirm that the use is consistent with the purpose. This step requires analysis of the reason for the identified need, the availability of any other sources of funds, and evaluation of the time period that the funds will be required and replenished.
- The Executive Board will direct the Treasurer to transfer the determined amount for the identified need from the Cash Reserve Fund to the General Operating Fund.

**Review.** This Cash Reserve Policy will be reviewed on odd-numbered years by the Executive Board; sooner, if warranted by internal/external events/changes.