

7.3.1.1 RESERVES ACCOUNTS

Reserve funds will be maintained as follows with the annual contributions as stated, assuming there is a profit from the previous year. Expenditures shall be in accordance with the Association Bylaws, Article X, Section 6.

- A. Equipment Reserve: Monthly contributions of \$1,500 are to be set aside until such time that \$50,000 is accumulated. All equipment purchases are to be taken out of this fund.
- B. Building Reserve: Monthly contributions will be deposited to this fund to maintain a balance of \$75,000 or 25% of the annual building budget (which ever is greater). These funds are to be used to repair or replace items currently on the property. New or additional considerations are to be sent to Building Ad Hoc, Budget and Finance and the Board of Directors prior to using money from this fund.

Operating Reserve: Operating Reserves shall be equal to a minimum of (3) three months of average monthly disbursements from the general checking account. The average monthly disbursement shall be calculated as a rolling average of the current and the preceding 11 months of disbursements.

- C. Government Affairs Reserve: Government Affairs Reserves shall be funded based upon a percentage of local dues collected from each member. The percentage shall be established annually by the Board of Directors as part of the annual budget approval. The fund shall be capped at \$250,000 Expenditures from the fund shall be at the discretion of the Legislative Committee, subject to approval of the Board of Directors.

Cross reference Policy 4.10.1.2 Government Affairs Reserve Account Expenditures Policies

Approved by Bylaws & Policy: 10/07/10
Approved by Board of Directors: 10/28/10