



U3A in Toowoomba Inc
7 Matthews Street
Po Box 404, Drayton North 4350
Phone 4687 7659

Operating Reserve Policy U3A Toowoomba Inc

Preamble

An operating Reserve is an unrestricted fund balance set aside to stabilise a non for profit's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses, Government operating closures etc. Operating reserves will be a part of the organisation's unrestricted cash or working capital.

Essentials forming part of Policy.

1. Purpose of building and maintaining reserves is to protect and preserve the staff, assets, and commitments of U3A Toowoomba Inc for an 18-month operating period.
2. Responsibilities for reporting reserve fund amounts and use of reserve funds falls within Treasurer reporting.
3. The amount of reserve funds is to be reviewed annually.
4. The reserve amount is to be based on an 18-month averaging cost base calculation which would include Staff employment expenses, Rent, Insurance, Electricity, Equipment leases, Communication costs, Maintenance and Unexpected events costs.
5. The reserve amount is to be invested on a 6-month term, then reviewed.
6. The authority to release and use any amount of the Reserve is to be approved by 75% of the management committee.
7. The amount to be released from the Reserve is to be calculated by the Treasurer.
8. The reserve amount will be identified in accounts and budgets.
9. It is recognised that operating reserves form part of good governance and is not used for any other purpose than to guarantee continuation of U3A Toowoomba Inc for a determined cost period.

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