

THE FRIENDS OF PREQU'ILE PARK

POLICIES AND PROCEDURES

Policy Name: RESERVE FUND
Reference: 017
Effective Date: December 4, 2015
Revision Date: April 2025

POLICY

The Board of Directors is responsible to the members for prudent financial management of The Friends of Presqu'ile Park. Towards that end, it is necessary to maintain an operating surplus to protect the programs and activities of The Friends of Presqu'ile Park in the event of an economic downturn or other unanticipated financial stress.

The Reserve Fund would be used to ensure continued operations of its mission and programs until such time as funding is stabilized. Given the seasonal nature of the majority of the programs of The Friends of Presqu'ile Park; the Board of Directors has determined that a sum equivalent to one year's operating budget for the core activities needed to fulfill its mission be held in reserve.

The amount of the allocation shall be determined annually as part of the Annual Budget. Surplus Funds shall be invested in accordance with the Investment Policies of The Friends of Presqu'ile Park.

The Reserve Fund will be drawn down only in the event of a cancellation or failure of a major fundraising event or in other extraordinary circumstances on unanimous consent of the Board of Directors.

The Board of Directors may, from time to time, make allocations to other specific funds to be maintained for other purposes, such as the Environment Fund. These will not be part of the operating surplus reserves.

PROCEDURES

1. As part of its Annual Budget process the Board of Directors shall identify those areas deemed to be the core activities and programs needed to fulfill its Mission and Mandate for the coming year.
2. In general, program funding to be protected will be those areas aligned with the Vision of The Friends of Presqu'ile Park; namely to provide learning, recreational and conservation opportunities for all.
3. The treasurer shall make an allocation to the budget for reserves equalling 100% of those costs for the year and invest the funds in accordance with Investment Policies established by the Board.
4. The Board of Directors may revise the allocation to the operating surplus from time to time during the year should circumstances change.
5. When the Finance Chair or Treasurer reports to the Board on past portfolio performance, the Board may revise allocations to the fund.