##### Appendix WPCP – Board Designated Net Asset Policy Guidelines

This policy should include the following information:

* Who has the ability to designate funds?
  + Governing body or management
* Board designated net assets are not part of day-to-day operations they are for one time or special events in the future. Consider setting an objective for what goals are in board restricted funds. Board restrictions can only be set if there are net assets without donor restrictions.
* How long can the assets be designated, what is the time restriction?
  + If the funds are not used for the intended purpose within the given time they can then be released and used for unrestricted purposes.
* If the school decides to no longer use the funds for the designated purpose who has the ability to release the funds from the restriction?
* How will the funds be held?
  + In an existing account or set aside in a new/different account

For specific board designated restrictions there should be documentation on:

* A description of the purpose of the restriction.
* The value of the restriction.
  + There should be a corresponding FS, program or activity code within MIP to record the restriction and report on the restriction.

##### OPERATING RESERVE POLICY - Sample

The purpose of the Reserve Policy for Aquinas Catholic Schools is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as building repair and improvement, or program opportunity.

The Operating Reserve is intended to provide an internal source of funds for situations such as sudden increases in expenses, one-time unbudgeted expenses, unanticipated loss in funding, building repairs, building improvements, and capital assets necessary for the effective operation of the organization and programs. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

The Reserve Fund is defined as a designated fund set aside by action of the School Governing Board to hold and administer the operating reserve. The Operating Reserve will be funded with:

* surplus unrestricted and undesignated operating funds;
* specific revenue sources such as one time gifts or bequests, special grants, or special appeals; and
* funds set aside in the annual budget.

The Reserve Fund will be recorded in the financial records as Board Designated Operating Reserve. The Reserve Fund will be commingled with the general cash and investment accounts of Aquinas Catholic Schools.

The President and Administrators will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This requires analysis of the reason for the usage, and the availability of other funding sources for the requested purpose.

A request for use of reserves will be presented to the Finance Committee at their next scheduled meeting, accompanied by a description of the analysis and determination of the use of reserve funds. When time does not permit for pre-usage review of reserve funds by the Finance Committee, the use of reserves will be reported to the Finance Committee at their next scheduled meeting. Final authority for use of reserves is delegated to the School Governing Board.

This Policy will be reviewed every other year, at minimum, or sooner if warranted by internal or external events or changes, by the Finance Committee. Changes to the Policy will be recommended by the Finance Committee for rejection or acceptance by the School Governing Board.

Policy approved for the 2022-2023 and subsequent school years.

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President Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dean Date

**REQUEST FOR USE OF OPERATING RESERVES - SAMPLE**

The President and Administrators will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in the Operating Reserve Policy. This requires analysis of the reason for the usage, and the availability of other funding sources for the requested purpose.

**DESCRIPTION & AMOUNT OF REQUEST (also attach Project Form)**

**SUMMARY OF WHY RESERVE FUNDS ARE BEING REQUESTED**

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Name of Individual(s) Requesting use of Funds Date of Request

**This request for use of reserves will be presented to the Finance Committee at their next scheduled meeting.**

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Recommendation of Finance Committee Date of Recommendation

**Final approval for use of reserves by the School Governing Board:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dean Date