

Reserves Policy for Working Dogs for Vets

Purpose: The purpose of this policy is to ensure the financial stability and sustainability of Working Dogs for Vets by establishing and maintaining reserves to cover unforeseen expenses, future obligations, and potential financial challenges.

Policy Statement: Working Dogs for Vets shall maintain a financial reserve to provide a stable and predictable source of funds for the organization's operations and programs. These reserves are intended to ensure the organization can continue to fulfill its mission and objectives in the event of unexpected expenses or changes in funding.

Definitions:

1. **Operating Reserves:** Funds set aside to cover routine operational costs, such as payroll, rent, utilities, and other ongoing expenses.
2. **Program Reserves:** Funds designated for specific programs and initiatives to ensure their continuity and success.
3. **Emergency Reserves:** Funds reserved for unexpected or extraordinary expenses that could disrupt the organization's operations or programs.

Reserve Levels:

1. **Operating Reserves:** The organization shall maintain operating reserves equivalent to at least three to six months of average operating expenses.
2. **Program Reserves:** The organization shall maintain program reserves sufficient to fund ongoing and planned programs for a minimum of six months.
3. **Emergency Reserves:** The organization shall maintain emergency reserves equivalent to at least three months of average operating expenses.

Funding and Maintenance:

1. The reserves shall be funded through surplus funds, donations, grants, and other revenue sources.
2. The Board of Directors shall review the reserve levels annually and adjust as necessary to ensure adequacy and alignment with the organization's financial needs.
3. The Executive Director shall be responsible for monitoring the reserves and reporting on their status to the Board of Directors on a quarterly basis.

Use of Reserves:

1. The use of reserves shall require the approval of the Board of Directors.
2. In the event of a financial shortfall or emergency, the Executive Director may recommend the use of reserves to the Board of Directors for approval.
3. Any use of reserves shall be documented and reported to the Board of Directors, along with a plan for replenishing the reserves within a reasonable timeframe.

Review and Revisions: This policy shall be reviewed annually by the Board of Directors to ensure its continued relevance and effectiveness. Any revisions shall be approved by the Board of Directors.