

COLORADO CANYONS ASSOCIATION
OPERATING CASH RESERVE AND REPAIR AND REPLACEMENT RESERVE
POLICIES

The purpose of this operating cash reserve and repair and replacement reserve policy is for Colorado Canyons Association (“CCA”) to formalize policies regarding operating cash reserves, and repair and replacement reserves. This policy shall supersede all prior operating cash reserve and repair and replacement reserve policies which may have been adopted by CCA.

1. Operating Cash Reserve.

It is the goal of this organization to establish unrestricted cash reserves to cover the operating cost for an average three-month period of the operating budget. Operating cost is defined as the general operating budget cash expenses adopted annually by the board of directors. This reserve shall be established as funds from operations or gifts or grants for purposes of the reserve become available. This reserve shall be held in an interest bearing account and may be used for periods, not to exceed ninety (90) days, in anticipation of other operating funds becoming available. Any withdrawal from this reserve shall be noted in the regular Treasurer’s report to the Board. In the event that the operating reserves are drawn upon for any reason, other than the short term while waiting for planned funds to become available, the matter shall be given to the Executive Committee who shall recommend to the Board what action is to be taken.

2. Repair and Replacement Reserve.

It is the policy of the organization to fund a reserve for the necessary repair and replacement of property and equipment. The reserve shall be funded annually in the amount of depreciation expense for the period. The Executive Committee shall review and approve any expenditure from the repair and replacement reserve.

ADOPTED on the date set forth below by the Board of Directors of Colorado Canyons Association

By: /Karen Webster/ _____ Date: February _10_, 2020
Secretary