UCGPC - Reserve Management Policy

Adopted by the Board of Directors on 9/13/2025

1. Purpose

The purpose of this policy is to safeguard the nonprofit's financial reserves to ensure long-term stability, maintain the organization's capacity to meet its obligations, and preserve funds for strategic priorities approved by the Board of Directors.

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2. Definition of Reserves

For the purposes of this policy, **Reserves** are defined as funds that are **designated by the Board** for long-term financial stability and are **not** intended for day-to-day operational expenses, unless otherwise approved by the Board.

- These funds are typically held in a separate, interest-bearing account or designated subaccount.
- The Reserves balance excludes temporarily restricted or donor-restricted funds, which are governed by separate donor agreements.

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3. Restrictions on Use

- No funds may be **withdrawn, transferred, pledged, or otherwise encumbered** from the Reserves without **explicit prior approval** by the Board of Directors, recorded in the minutes.
- Approval must specify:
    1. The amount to be withdrawn
    2. The purpose of the withdrawal
    3. The repayment plan (if applicable)

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4. Treasurer's Monitoring and Reporting Duties

The Treasurer shall:

1. **Monthly Reporting** – Provide a reserves balance update in the monthly Treasurer's Report to the Board.
2. **Threshold Alert** – Notify the Board within **5 business days** if the reserves balance falls **below $50,000**. The Board, under the leadership of the Treasurer, will develop and approve a plan to restore the reserves to the target level within a reasonable timeframe.
3. **Unauthorized Activity Alert** – Notify the Board **within 5 business days** if any unapproved withdrawals, transfers, or encumbrances occur.
4. **Allocation of Revenue to the Reserves** - Make a recommendation to the Board on a transfer of student fee revenue to the reserves at the Board meeting within 30 days after they are received.

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5. Investment of Reserves

- Reserves shall be kept in **low-risk, FDIC-insured accounts** (e.g., high-yield savings, money market accounts, or insured cash sweeps) to ensure liquidity and principal preservation.
- The Treasurer and the Compliance and Governance Committee may recommend changes to the investment vehicle, but all changes require Board approval.

Approval:

- Secretary: __________________ Date: _______
- Treasurer: _Melanie Girod___ Date: 9/13/2025