# CREW Tampa Bay Reserve Policy

### (Amended 01/16/2024)

The primary purpose of a reserve is to provide a financial cushion for CREW Tampa Bay in the event of an economic downturn and to fund unusual or unexpectedly large expenditures critical to the operation of CREW Tampa Bay. A secondary purpose of the reserve is to support special projects in the event strategic initiative(s) should surface which cannot be funded through income generated or raised in a single fiscal year. The Finance Committee shall review the reserves policy at least once every three years. The Board of Directors may accept, modify, or reject the recommendations of the Finance Committee for changes to the reserve policy, if any.

Reserve funds shall be deposited and maintained in a separate CREW Tampa Bay savings or money market bank account (“Reserve Funds Account” – currently the Wells Fargo CD Investment account). All disbursements from the Reserve Funds Account shall require the prior approval of the CREW Tampa Bay Board of Directors. As a general rule, the Board shall budget to contribute semi-annually (January & July ) to the Reserve Funds Account (specifically, the Sustaining Fund & the Big Audacious Program Fund defined below). The Finance Committee may recommend additional contributions to be made during the year. Absent an emergency, if the Board of Directors desires to utilize Reserve funds within any operating year, the Board shall include (or note) the use of such funds within its adopted operating year budget. If a strategic initiative surfaces after the budget for that respective year has been approved, a board member may make a motion to the full CREW Tampa Bay Board of Directors to fund such an initiative. Use of said reserves would require a two-thirds majority vote of all CREW Tampa Bay Board members.

CREW Tampa Bay shall keep excess surplus funds from operations (Net Income) in an undesignated, unrestricted net assets General Ledger account named Wells Fargo Checking. Any funds not otherwise transferred to the reserve funds listed below shall be retained in the Wells Fargo Checking. Funds in the Wells Fargo Checking may be used to cover a current year shortfall from operating activities to the extent that the amount used does not exceed the available balance of the Wells Fargo Checking account.

Shall the balance in the WF Checking account fall below $100,000.00, the Finance committee has the authority without the Board’s approval to move the amount equal to the difference between $100,000.00 and the WF Checking account balance at that time from the Sustaining Fund to the WF Checking account in the month the deficit occurs.

The Reserve funds shall be allocated into the following designated funds that will be evaluated and rebalanced on a semi-annual basis in conjunction with the preparation of next year’s annual budget:

Sustaining Fund

The purpose of the Sustaining Fund is to enable CREW Tampa Bay to withstand the impact of economic downturns or to fund an unusual or unexpectedly large expenditure critical to the operation of CREW Tampa Bay (i.e., a lawsuit).

To achieve this stability, CREW Tampa Bay shall seek to maintain an amount equal to eighteen (18) months of budgeted Core Operating Expenses (COEs) (Target Amount). COEs are expenses that (a) do not increase or decrease based on the number of members, (b) are not associated with a Special Event or Program, and (c) are not variable expenses within the control of the Board of Directors (i.e. funds for the board retreat, meals for Board of Directors meetings, etc.). COEs include, without limitation: contracted fees with CREW Network for chapter administration and website services, minimum contracted amounts payable to vendors (such as the Centre Club), contracted fees with Life Storage, accounting expenses, bank charges, photographer expenses, President, President-Elect and Delegate’s attendance at Network Convention and Leadership Summits. (See Exhibit A for the List of Core Operating Expenses).

The Target Amount will be calculated by the Treasurer and the Finance Committee and approved by the Board as part of the annual budgeting process and based on the approved budget for the upcoming year. In the event that the Target Amount has not been reached, the Board of Directors shall contribute to the Sustaining Fund the amount equal to the deficit between the Target Amount and actual account balance, for as long as the balance of the Wells Fargo Checking operating account remains greater than $100,000.00 after July and December’s transfers. Notwithstanding the foregoing, if in any given year the Executive Committee has determined that the Target Amount has been met in the Sustaining Fund, then the Board of Directors may allocate Net Income within the two Funds of the Reserve Funds Account or leave in the WF Checking account at its discretion.

Big Audacious Program Fund

The purpose of the Big Audacious Program Fund is to enable CREW Tampa Bay to set aside funds that will be available for initiatives or special events that require significant developmental or start-up costs which cannot be funded through income generated or raised in a single fiscal year. At the end of each fiscal year, the Board of Directors from such fiscal year shall contribute to the Big Audacious Program Fund, the balance of any Retained Earnings after meeting the contribution required to the Sustaining Fund (or, if the Target Amount in the Sustaining Fund is met, any other amount determined by the Board in its discretion). The target goal amount for the Big Audacious Program Fund is $115,000.00.Exhibit A

## List of Core Operating Expenses (2024)

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| **Membership Expense** |
| 5000 | Membership Expense |
| **Executive Council Expense** |
| 6304 | WLP-CREW Scholarships |
| **Charity & Community Action** |
| 6311 | CREW Foundation |
| 6314 | Foundation Scholar Expenses (?) |
| 6316 | Community Outreach |
| 6322 | WLP Symposium |
| **Website & Communication Expense** |
| 6410 | Web Hosting |
| 6420 | Cloud Storage |
| 6430 | eMailbox |
| 6440 | Web Development |
| **Marketing & PR Expense** |
| 6701 | Media/PR |
| 6702 | Chapter Leadership Circle |
| 6704 | Printing |
| **Summit & Convention Travel** |
| 7102 | Travel |
| 7110 | Hotel |
| 7112 | Registration |
| 7114 | Other Meetings Expenses/Meals |
| **Board Expense** |
| 7204 | Board Meeting |
| 7210 | Board Travel & Misc Expense |
| **General Operating Expense** |
| 8100 | General Operation |
| 8110 | Accounting |
| 8122 | Printing |
| 8130 | Bank Charges |
| 8132 | Merchant Fees |
| 8150 | CREW Network Admin Svcs |
| 8152 | Administrator Fees |
| 8153 | Administrator Expenses |
| 8228 | Postage |
| 8232 | Office Supplies |