

RESOLUTION FOR OPERATING/UNRESTRICTED CASH RESERVE POLICY

Resolution of the Board of Directors of

The Lakeside Association

WHEREAS, the Board of Directors (the “Board”) of The Lakeside Association (“Lakeside”), held a meeting on May 16th, 2025, at which a quorum was present and acting throughout.

WHEREAS, at their April 22ND, 2025 committee meeting, the Finance Committee approved the following operating/unrestricted cash reserve policy.

Purpose:

The Lakeside Association Management reports to The Lakeside Association Board to assure that its mission is properly funded. The financial integrity of the Association is paramount to our continued ability to provide services. Maintaining a reasonable unrestricted cash reserve is required to ensure that we are not spending beyond our means and we are also planning to fully utilize the dollars we collect in support of our Chautauqua mission.

Policy Statement:

To provide a safety net for the organization in case of unforeseen circumstances like a sudden loss of funding, economic downturn, or casualty loss. The unrestricted cash reserve will be managed in accordance with the guidelines set forth in this policy.

Reserve Amount:

The Lakeside Association will plan for the funding during the budget process and monitor expenditure levels throughout the year to maintain a reasonable unrestricted cash reserve less current liabilities which excludes donor-restricted (non-endowment) and endowment funds. The intent is for the March 31st operating cash reserve balance to be 15-25% of the previous year’s operational expenses. Optimally, 20% of the previous year’s operational expenses is the target amount to keep in the operating cash reserve.

Funding Mechanism:

Currently the reserve level meets the requirements. However, if the unrestricted operating cash balance falls below the 15% level, the following year’s operating budget should be adjusted to make up for the short fall.

A line of credit should not be used to fund the operating reserve.

Use of Reserves:

1. Emergency Situations: Reserves may be used to cover unexpected expenses such as natural disasters, economic downturns, or other unforeseen events that impact on the organization's financial health. Such use must include a plan to replenish the reserves within the next budget cycle.
2. Opportunities: Reserves may be used temporarily to finance strategic opportunities that align with the organization's mission and goals, subject to finance committee approval. Temporary is defined as less than 12 months.

The Chief Executive or Finance Committee must authorize the use of reserves and report to the board of directors.

Investment of Funds:

The operating/unrestricted cash reserve funds will be invested as per the guidelines provided in the Lakeside Chautauqua investment policy.

Monitoring and Reporting:

The Finance Committee, in collaboration with Management, will monitor the performance of the investments and ensure compliance with this policy. Investment performance and compliance will be reported to the Board of Directors on a quarterly basis.

Review of Policy:

This policy will be reviewed annually by the Finance Committee and any recommended changes will be submitted to the Board of Directors for approval.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby accepts the resolution for the operating/unrestricted cash reserve policy.

APPROVED, on this day, May 16, 2025



Signature
Rachel Miller
Secretary of the Board of Directors
The Lakeside Association