

THE FRIENDS OF PREQU'ILE PARK

POLICIES AND PROCEDURES

Policy Name: **OPERATING SURPLUS**

Reference: **017**

Effective Date: **December 4, 2015**

Revision Date:

POLICY

The Board of Directors is responsible to the members for prudent financial management of The Friends of Presqu'ile Park.. Towards that end, it is necessary to maintain an operating surplus to protect the programs and activities of The Friends of Presqu'ile Park in the event of an economic downturn or other unanticipated financial stress.

Amounts beyond what are needed to meet annual operations; support education and supplement environmental initiatives would be known as reserve funds and would be used to ensure the continued operations of the Friends mission and programs until such time as funding is stabilized.

Given the seasonal nature of the majority of the programs of The Friends of Presqu'ile Park; the Board of Directors has determined that a sum equivalent to one year's operating budget for the core activities is needed to fulfill its mission and should be considered reserve funds.

The amount of the allocation shall be determined as part of the annual Risk Management review.

The reserve funds will be used only in the event of a cancellation or failure of a major fundraising event or in other extraordinary circumstances on consent of two thirds of the Board of Directors.

The Board of Directors may, from time to time, make allocations to other specific funds to be maintained for other purposes, such as the Environment Fund. These will not be part of the operating surplus reserves.

PROCEDURES

1. As part of its Risk Management review, the Board of Directors shall identify those areas deemed to be the core activities and programs needed to fulfill its Mission and Mandate for the coming year.
2. In general, program funding to be protected will be those areas aligned with the Vision of The Friends of Presqu'ile Park; namely to provide learning, recreational and conservation opportunities for all.
3. The treasurer shall make an allocation to the budget for reserves equalling 100% of those costs for the year.
4. The Board of Directors may revise the allocation to the operating surplus from time to time during the year should circumstances change.
5. The Board of Directors will monitor the requirements for the reserve fund. In March and November when the Finance Chair reports to the Board on past portfolio performance, the Board may revise allocations to the fund.

Approved as revised: December 4, 2015