



Assistance League® of Omaha

Building Maintenance Reserve Fund Policy

Purpose

The purpose of the Board designated Building Maintenance Fund policy for Assistance League of Omaha is to ensure the stability of the mission, programs, and ongoing operations for the organization and to provide a source of internal funds for organizational priorities related to building maintenance and repair.

Goals and Definitions

The building reserve is intended to provide a ready source of funds for major repairs and maintenance to the building, land, leaseholds, fixtures, and equipment necessary for the effective operation of the organization and delivery of services.

“Board Designated” means Assistance League of Omaha’s Board of Directors has designated this reserve and access to the reserve requires Board approval.

“Building Maintenance Reserve Fund” (“building reserve”) has been established by the Board of Directors to account for funds to be used for “major repairs.” Monies in this fund can be Board designated, temporarily restricted, or permanently restricted. Temporarily restricted funds will be used before Board designated funds.

“Major repair” is any repair, replacement, maintenance, or purchase integral to, or related, the operation of the building, land, leaseholds, fixtures, or equipment that is \$5,000 or more.

Accounting for Reserve

The building reserve will be recorded in the financial records as Building Maintenance Reserve Fund. The reserve will be funded and held in cash or cash equivalent funds. The reserve will be approved by the Finance Committee, and segregated from operating funds/accounts.

Funding of Reserve

The target balance of the building reserve is at least \$50,000.

Funds above the targeted level, with a total goal of \$75,000, will be actively procured by annual transfers of \$5,000.

Replenishment funds to maintain the building reserve’s target balance may come from annual campaigns, unrestricted legacies/bequests/memorials, earning on investments special grants, excess operating revenue, or other sources the Board of Directors may deem appropriate.

If the building reserve is less than 80% of the targeted reserve level for three consecutive years, the Board of Directors will adopt an operational budget with a projected surplus to rebuild the building reserve over the following three years to its targeted level.

Use of the Building Maintenance Reserve Fund

The building reserve shall operate as an internal line of credit, that must be replenished to the target level, to fund any major repair to the Assistance League® of Omaha Chapter House and Thrift Shop at 8502 West Center Road, Omaha, Nebraska 68124. Funds above the target level shall be available for use for any major repair to the facility without being replenished, unless otherwise directed by the Board.

Authority to Use Reserves

The Board President may access \$10,000 for purposes as outlined above, if the building reserve balance is above the target balance or sufficient accounts or grants receivable are available to repay such usage within twelve months. The Board President will notify the Treasurer in writing, and usage will be acknowledged in writing by the Treasurer. Email or fax shall be acceptable forms of notification and acknowledgement.

Any funds borrowed from the building reserve that bring it below the target balance level or that is greater than \$10,000 or for longer than twelve months will be paid back through a prescribed replenishment schedule. Approval of any such usage by the Board President shall be reported at the next full Board meeting. A replenishment schedule will be presented by the Treasurer for Board approval. At any time a borrowing from the building reserve is outstanding, the status of the borrowing and payments made against the proposed replenishment schedule will be reviewed at regularly scheduled Board meetings.

Review of Policy

The Building Maintenance Reserve Fund Policy will be reviewed every two years, at a minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. The Finance Committee will recommend changes to the policy to the Board of Directors for full Board approval followed by Assistance League of Omaha membership approval.