

## **POLICY ON OPERATING RESERVE FUND**

Our operating reserve is an unrestricted fund balance set aside to stabilize our finances by providing a "rainy day savings account" for unexpected cash flow shortages, expense or losses. These might be caused by delayed payments, unexpected building repairs, or economic conditions.

The operating reserve accumulates from year-end operating surpluses, gifts or sales which go into the fund at the discretion of parish leadership. The Finance Council in consultation with the Pastor may direct that a specific source of revenue be set aside for operating reserves.

Operating reserves will not be used to eliminate an anticipated budget gap.

Operating Reserves used are expected to be replenished.

The target minimum Operating Reserve Fund is equal to 25% of the annual operating budget, with a maximum cap of 35%.

Funds are invested at the Archdiocese of Dubuque Deposit and Loan.

Authority for the use of operating reserves rests with the Finance Council and with the consent of the Pastor and Pastoral Council for expenditures over \$5,000.

Approved STA Finance Council

May 28, 2019

Approved STA Pastoral Council

September 11, 2019