



Reservation Policy for Black Creek Youth Initiative

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Policy Statement:

The Reserve Policy of the Black Creek Youth Initiative (BCYI) outlines the guidelines and procedures for the establishment and management of financial reserves. The organization recognizes the importance of maintaining adequate reserves to support its mission, ensure financial stability, and provide a buffer against unforeseen circumstances. This policy aims to govern the creation, utilization, and replenishment of reserves while aligning with the organization's values and strategic objectives.

1. Purpose:

The purpose of this Reserve Policy is to:

- a) Ensure the financial sustainability of BCYI.
- b) Safeguard against potential financial risks.
- c) Support the organization's long-term strategic goals.
- d) Enable BCYI to respond to emergencies or unexpected opportunities.
- e) Maintain transparency and accountability in financial management.

2. Reserve Categories:

BCYI will establish and maintain the following reserve categories:

- a) Operating Reserves:** These reserves are intended to cover short-term cash flow fluctuations, maintain operational stability, and mitigate the effects of unforeseen events. The target for the operating reserve will be [specify a percentage or dollar amount] of the annual operating budget.
- b) Program Reserves:** These reserves are specific to individual programs or initiatives and are intended to ensure their continuity, expansion, or adaptation. Program reserves will be established for programs identified as strategic priorities by the organization. The target for program reserves will be determined on a case-by-case basis, considering factors such as program size, scope, and sustainability.
- c) Capital Reserves:** These reserves are designated for capital expenditures, such as facility maintenance, equipment replacement, or infrastructure improvements. BCYI will establish a separate capital reserve fund to address these needs. The target for capital reserves will be determined based on a comprehensive assessment of capital requirements and depreciation schedules.



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3. Reserve Funding:

a) Initial Funding: BCYI will establish initial reserve funds through a combination of surplus operating funds, fundraising efforts, or specific donations designated for reserve purposes.

b) Ongoing Funding: BCYI will strive to allocate a portion of its annual surplus or surplus from specific programs or projects to the appropriate reserve categories. The allocation will be determined based on the organization's financial health, strategic priorities, and the recommendations of the Finance Committee and Board of Directors.

4. Reserve Utilization:

a) Operating Reserves: The utilization of operating reserves will be restricted to cover temporary cash flow shortfalls, unexpected expenses, or emergency situations. The approval for accessing operating reserves will be granted by the Executive Director or the Finance Committee, subject to Board oversight.

b) Program Reserves: Program reserves may be utilized to sustain or expand the specific programs or initiatives for which they were established. Approval for accessing program reserves will be obtained through a formal request process, including a detailed justification, assessment of impact, and approval by the Executive Director and the Board of Directors.

c) Capital Reserves: Capital reserves will be utilized exclusively for capital expenditures and improvements, as outlined in the capital plan. The utilization of capital reserves will require approval from the Executive Director, Finance Committee, and Board of Directors.

5. Reserve Monitoring and Reporting:

BCYI will establish a system for ongoing monitoring and reporting of its reserves, including regular financial statements, budget reviews, and reserve status updates. The Finance Committee and the Board of Directors will review and assess the reserve levels periodically to ensure they align with the organization's financial objectives and risk tolerance.