



Liquidity Policy - Junior Achievement of Arizona, Inc.

Accounting Standard ASU 2016-14 requires that not-for-profits disclose in its financials statements “qualitative information that communicates how an NFP manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.”

Junior Achievement of Arizona, Inc. and its Board of Directors (JAAZ) shall monitor the liquidity required to meet its operating needs and other contractual commitments at their regularly scheduled meetings throughout the year.

JAAZ has various sources of liquidity at its disposal, including cash and cash equivalents, marketable securities, a line of credit, contributions receivable, as well as strategic management of cash flows. The Organization maintains a Reserve Policy, an Investment Policy and annual budgets. Additionally, JAAZ uses monthly financial statements including a Statement of Activities, Statement of Financial Position, and cash flow projections to help monitor liquidity.

For purposes of analyzing resources available to meet general expenses over a 12-month period, JAAZ considers operating costs to include all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services directly related to carrying out its mission as well as the conduct of services undertaken to support those activities. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average operating costs also excludes any one-time or unusual purchases.

This Policy will be reviewed every other year, at minimum, by the Finance & Audit Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance & Audit Committee to the Board of Directors.