



## **Reserve Policy - Junior Achievement of Arizona, Inc.**

### **Purpose**

The purpose of the Reserve Policy for Junior Achievement of Arizona, Inc. is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization and to provide a source of internal funds for organizational priorities such as building repair and improvement, program opportunity, and capacity building.

The Reserve Policy will be implemented in concert with the other governance and financial policies of Junior Achievement of Arizona, Inc. and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

### **Reserve**

The target minimum Reserve Fund is equal to three to six months of average operating costs per the budget. The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes any one-time or unusual purchases.

The total of all cash and cash equivalents on hand will be considered as the available reserves.

The amount of the Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance & Audit Committee/Board of Directors and included in the regular financial reports.

### **Use of Reserves**

The President and staff will identify the need for access to Reserve Funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy.

### **Review of Policy**

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.