

**UUCSEA
POLICY/PROCEDURE**

POLICY: The Operational Reserve Fund is different from other designated funds. The purpose of a reserve fund is to meet expenses when income does not equal expenses. The goal of a reserve fund is not to hoard or save money, but to provide a cushion or “rainy day fund”. Most churches maintain a reserve operational fund as income and expenses can vary greatly throughout the year. The Congregation must set the appropriate reserve fund level.

PROCEDURE:

1. The Congregation determines the level of the reserve fund at a congregational meeting.
2. An operational reserve of 10 percent of the annual adopted budget will be maintained.
3. If the operational reserve falls below the minimum level, the next projected budget will include an operational reserve line item restoring the reserve to the minimum level.

Date approved by the Board: 10-07-08

Date approved/revised by Congregation: 10-5-08

Signature Board President: _____

Signature Minister: _____