

5th GRADE RESERVE FUND POLICY

PURPOSE

The purpose of the Reserves policy for the 5th Grade Reserve Fund is to ensure that every year, all 5th grade students are given an opportunity to participate in the 5th Grade Camp program regardless of financial need. This fund is also used to pay for additional field trips, activities and supplies for 5th graders.

The Reserves policy will be implemented in concert with the other governance and financial policies of Bach PTO and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

DEFINITIONS AND GOALS

The Program Reserve is intended to provide an internal source of funds for uncertain income for 5th Grade Camp scholarships from year to year and provide a reserve fund for additional field trips, activities, and supplies for 5th graders. The Program Reserve fund is defined as the designated fund set aside by action of the Bach PTO Board. The target amount to be designated as Program Reserve will be established in an amount sufficient to maintain the scholarship program for two years, with the assumption that up to 37.5% of the camp cost may be paid through scholarships.

The target Program Reserve Fund is equal to 75% of the estimated cost of the 5th Grade Camp for that year. The amount of the Program Reserve Fund target will be calculated each year and presented in the October Bach PTO general meeting for approval.

ACCOUNTING FOR RESERVES

The Program Reserve Funds will be recorded in the financial records as the Board Designated 5th Grade Reserve Fund, noted in the by-laws as the Bach 5th Grade account. The fund will be funded and available in cash or cash equivalent funds. Reserves will be maintained in a segregated bank account or investment fund, in accordance with investment policies.

FUNDING OF RESERVES

The Program Reserve fund will be funded by setting aside funds received from a fundraising appeal (e.g. voluntary scholarship and general donation appeal) to 5th grade parents. This appeal will be worded to match the approved budget as closely as possible, and with intent to maintain the appropriate target reserve. (Some techniques may include advertising a suggested donation amount, and targeting any fundraising from 5th grade projects to match the approved budget as closely as possible).

In the event the 5th Grade Camp program is discontinued for more than two years, any remaining funds will remain in the 5th Grade Reserve Fund to be spent on additional 5th grade field trips, activities or supplies.

USE OF RESERVES

Use of Program Reserve Funds requires three steps:

1 Identification of appropriate use of reserve funds.

The Bach PTO Treasurer will identify the need for access reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy.

1 Authority to use reserves.

Authority for use of Reserves is delegated to the Bach PTO Treasurer(s) in consultation with the Bach 5th grade teachers. The use of Reserves will be reported to the Bach PTO Board at their next scheduled meeting, accompanied by a description of the use of funds and plans for replenishment to restore the Reserve Fund to the target amount within the next 12 months.

1 Reporting and Monitoring

The Bach PTO Treasurer(s) is responsible for assuring that the Reserve Funds are maintained and used only as described in this Policy. Upon approval for the use of Reserve funds, the Bach PTO Treasurer(s) will maintain records of the use of funds. In accordance with the Bach PTO by-laws, The Bach PTO Treasurer(s) will provide a report every October for approval at the general PTO meeting, and quarterly reports to the Bach PTO Board.

REVIEW OF POLICY

This policy will be reviewed every other year, at minimum, by the Bach PTO Board, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Bach PTO Treasurer(s) to the Bach PTO Board.