



## Colorado/Wyoming CCIM Chapter

### SAVINGS AND RESERVE POLICY

The *strength and sustainability* of an organization is often matched against the amount of reserve or savings it has amassed.

The purpose of reserve and/or savings is to maintain a readiness. The ability to respond to an external force such as government regulation, or to take advantage of an opportunity that arises, such as the purchase of real estate, is crucial.

#### Savings and Reserve Policy

A Reserve Account, separate from the operating or scholarship account, and equal to or exceeding 6 months of the operating budget, shall be established and maintained with the following goals in mind:

- Capital Improvements/Assets
- Unexpected marketing opportunities
- Innovation
- Economic shift
- Budget shortfall

#### 1. Deposits

The Executive Director, with Board approval, will transfer funds from the Operating Account to the Reserve Account. The reserves will be invested per the Association's investment policy.

#### 2. Withdrawals

Withdrawals from the Reserve Account must be approved by the Executive Council 30 days prior to the withdrawal, unless an emergency need arises, in which case the withdrawal should be addressed in an emergency meeting of the Executive Council.

In the event of a budget shortfall, the amount of the withdrawal must become part of the next year's budget, with a repayment plan to the reserve account.

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Approved: 4/22/14  
Revised: 1/22/2015; 1/19/2016