

	FMCA POLICIES AND PROCEDURES	INDEX NO. 2035	APPROVAL LEVEL GB
	SUBJECT Reserve Funds	EFFECTIVE 8/12	SUPERSEDES 8/07
	SPECIAL DISTRIBUTION Finance Committee		

POLICY

To maintain a permissible level of accumulated earnings in accordance with FMCA’s Strategic Plan, “FMCA will be fiscally strong and have adequate money in reserves.”

PROCEDURE

1. The association’s reserve funds shall be invested in accordance with FMCA Policies and Procedures #2012, Statement of Investment Policy.
2. The following reserve funds are Board designated funds:
 - Building Reserve
 - Operating Reserve
3. Each year, 50% of the association’s net operating earnings are to be earmarked to each of these funds by the Finance Committee and with the approval of the Executive Board.
4. Current year’s earnings or losses on the reserve funds will remain in reserves.