

Christ our Savior Lutheran Church
Policy Concerning Use of Contingency and Reserve Funds

During annual budget preparation an amount will be established as a **Council Contingency Reserve**-which will provide the first source for special unforeseen needs that might arise, subject to the overall dollar limitation of that provision.

With respect to the **Operating Reserves**, the Voters' Assembly has generally been asked to approved an annual budget with a forecast loss, but only to the extent that the amount does not exceed the current level of the Operating Reserve (\$50,000). This has been considered as providing the cash flow flexibility during the year. Other needs may be needed in the future.

As for the **Capital Reserve**, this has been viewed for major Capital expenditures. Transfers from the Capital Reserve should be approved or, ex post facto, ratified by the Voters' Assembly on a specific item basis. (Capital Items are those valued over \$5000). The Capital reserve Fund shall be capped at \$80,000 and beginning in the 2015 COS Budget, up to \$10,000 will be included annually to attain and maintain this Cap.