



**POLICY 1: Financial Reserves & Restricted Funds Policy**

<b>Policy Rationale</b>	<p>In meeting the needs of its members both today and into the future, Wellington Underwater Hockey Association Inc (“WUHA”) needs to ensure it is both financially sustainable and have sufficient reserves to leverage off of.</p> <p>To assist this, WUHA should have policies in place to determine what the acceptable minimum level of reserves is, and also guidelines for the application of any excess reserves or restricted funds.</p>
<b>Policy Statement(s)</b>	<p>WUHA is committed to maintaining sufficient reserves &amp; restricted funds in order to ensure both the current and future sustainability of WUHA, and funds to be used for sport development, specifically:</p> <ul style="list-style-type: none"><li>• A general reserve of \$100,000 shall be maintained, being a level of funds required to enable the future sustainability of WUHA, and a precautionary level of self-insurance against unexpected financial demands, or sudden loss of revenues.</li><li>• A restricted fund reserve of \$20,000 shall be maintained and used for capital expenditure for the development of the sport in Wellington region. This fund shall be topped up when funds are utilised.</li><li>• A continuity or cash reserve of \$10,000 shall be maintained, being 20% of the planned level of expenditure in any financial year. This reserve should be sufficient to cover any possible negative cash flows and should be sufficiently topped-up to a sum equal to 40% of the approved budget for the current and / or subsequent financial year.</li><li>• The approval of WUHA Executive shall s as required will determine the criteria for which any restricted funds are able to be used.</li></ul>



	<p>In determining the use of the restricted fund reserves WUHA Executive shall acknowledge:</p> <ul style="list-style-type: none"> <li>• WUHA’s future funding requirements, including any anticipated capital expenditure or long-term projects.</li> <li>• that increases in reserves and restricted funds will need to be funded through the generation of operational surpluses</li> </ul>
<p><b>Policy Implementation and Related Procedure Documents</b></p>	<p>The implementation and review of these Reserves &amp; Restricted Funds policies are the responsibility of WUHA’s Executive</p> <p>WUHA’s Executive will determine a reserve target and a cash reserves level and they have the right to amend the reserves target and a cash reserves level where deemed necessary</p> <p>The cash reserves levels will be noted in the annual budget accordingly.</p>
<p><b>Legislative Compliance Considerations</b></p>	<ul style="list-style-type: none"> <li>• Incorporated Society Rules</li> </ul>
<p><b>Review Protocol</b></p>	<p>Policy Reviewed By:                      WUHA Committee</p> <p>Date Reviewed:                              28 February 2023</p> <p>Next Review Date:                          February 2024</p> <p>Revokes Policy Reviewed:                N/A</p>