

## Policy Regarding the Maintenance of Cash Reserves

The purpose of this policy is to establish guidelines for minimum cash on hand standards as well as to how the Administration Team will recommend using any surplus over the established amount.

It has been determined by the Administration Team and approved by the church leadership that a minimum of six to eight months of reserves will be held in savings, checking, or low risk investments. The six to eight month figure will be in comparison to that year's current budgeted expenditure.

It is the recommendation of the Administration Team that if at any time we have a surplus over one year's budgeted expense that, first and foremost, that surplus would be used to eliminate current debt, but will not take the balance of cash reserves below the six month mark.

Once the church is debt-free, it is the opinion of the Administration Team that any surplus of more than one year's budgeted expenses should be used at the discretion of the church leadership to further God's Kingdom.

If cash reserves drop below the six month level, the Administration Team should notify the elder board and offer recommendations.

Last update: 9/20/09