

Policy for Use of VUU Accounts

Approved February 21, 2012 by VUU's Board of Trustees

(Also see "Spending Authority" in the Administration Section)

1. Operating Account (Balance Sheet, 101.80)

The cash operating account is used for day-to-day expenses and for all cash not specifically reserved for any other account. At the end of each fiscal year, amounts in excess of 5% of the new fiscal year's estimated expenses may be transferred to the reserve (101.95) account.

2. Department 30 Accounts: Department 30 Accounts are the responsibility of a designated committee or person who is to insure that all revenue from the activity goes through the VUU accounting system and is deposited into the account. Expenditures from the accounts are to be used in support of the activities.

(a) Designated Accounts (101.90). Department 30 Designated Accounts are for specific VUU activities. After expenses are paid, the funds not needed for the next iteration of the activity or for directly related projects to improve the activity are transferred to the operating account (101.80). Most of these accounts involve the sale of goods or services with any excess revenue intended to be used for the general support of VUU (e.g., Art and Cookie Sale, bookstore, cabaret, café, grocery program, home hospitality/B&B, etc.) The amount left in a Department 30 Designated Account for future activities is determined by the Administrator, the board-appointed Financial Analyst, and designated representative of the account. In case of a disagreement, the issue is referred to the Finance team.

(b) Restricted Accounts (101.90). Department 30 Restricted Accounts are for VUU activities in which the income is permanently restricted to the use for which it was collected. Any cash remaining after expenses are paid remains in the account to be used for future iterations of that activity. Restricted accounts include such things as external grants, facility deposits from renters, property reserve fund, income from the leadership endowment, donations for specific projects or programs and flow-through accounts where VUU collects money for a specific purpose and then uses it exclusively for that purpose (e.g., OWL, COA, and the Prescott Retreat).

If a restricted account has excess cash after the project is completed, the original donors should be contacted regarding an alternative use, or to return their donation to them, if practical to do so. If not, the use of the money should be recommended by the responsible party, approved by the Board, and made public so that contributors even though not individually identified are aware of how the excess cash was used.

3. Reserve Account (101.95) (Previously, "savings account.")

Cash in the VUU reserve account is used for short-term cash flow shortages, end-of-year cost overruns, and other expenses as determined by the Board. The office administrator is the responsible party for the reserve account and is authorized to transfer amounts up to 1% of the annual operating budget to handle cash flow shortages in which there is a reasonable expectation that the reserve account will be reimbursed from operating revenue before the end of the fiscal

year. If reimbursement by the end of the fiscal year is not a reasonable expectation, the Board must approve the transfer.

4. Capital Campaign account. (102.00)

Income from capital campaigns is used in accord with the priorities established by the Board.

5. Special Funds (151).

Special funds are the VUU endowments, managed by the Special Funds Committee elected by the congregation.

6. Bunny Clark Leadership (152). This fund was earmarked from an endowment for leadership purposes.