

Policy for Use of VUU Accounts

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

Amended April 2017 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. Restricted Accounts: are the responsibility of a designated committee or activity, which is to ensure that all revenue from designated contributions goes through the VUU accounting system and is deposited into the appropriate account. Expenditures from the accounts are to be used in support of the activities.

(a) Restricted Accounts (101.90). 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.

Borrowing is permitted against Restricted Accounts for the purpose of meeting essential and immediate operating expenses. The total amount borrowed may be no more than 50% of the total of all accounts and for no longer than 14 calendar days. This action may be taken only on the authority of the Senior Minister after consulting with the Board President and the Financial Advisor. The Board of Trustees shall be informed whenever Special Projects funds are borrowed in this manner.

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 accordance 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.