

Policy for Use of VUU Cash Accounts

1. Operating Account (101)

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 (110/112) accounts.

2. Restricted Account (105)

The Restricted/designated account is used to contain revenue from designated contributions outside of operating and capital contributions, which specify a group, activity, grant or project.

Expenditures from the accounts are to be used in support of the activities. Restricted fund details are tracked in equity accounts 330. Restricted/Designated 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 and Special Funds grants, facility deposits from renters, income from the leadership endowment, donations for specific projects or programs (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. To clear aged funds, small remainder amounts (under \$250) may be cleared out of the restricted account annually and taken as miscellaneous income by the congregation on the approval of the Finance Committee without advertisement.

Borrowing is not permitted against restricted/designated accounts.

3. Reserve Accounts (110/112)

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 Congregational Administrator is the responsible party for the reserve account and is authorized to transfer amounts up to \$15,000 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, or the amount exceeds the original \$15,000, the Board must approve the transfer.

4. Capital Campaign/Recovery accounts (106/111)

Income from **capital campaigns** is used in accordance with the priorities established by the Congregation. Funds are managed by the Capital Planning Committee, with oversight from the Board.

Income from **recovery fund contributions** supports the operating budgets of the congregation for the 2022-23, 24, 25 (post-pandemic) budget years as recommended to and approved by the congregation in

each year's budget process. Funds may be transferred to operating as designated in the approved budgets beginning July 1, 2022.

Until allocated or spent, capital and recovery cash will be kept in one cash account and accounted for separately in allocation spreadsheets maintained in accordance with donors' wishes.

5. Special Funds (150)

Special Funds are the VUU endowments, managed by the Special Funds Committee elected by the congregation. The Bunny Clark Leadership fund – an endowment fund earmarked for leadership purposes - is accounted for within the Special Funds accounting.

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)

Amended October 27, 2022 by VUU's Board of Trustees – addition of Capital/Recovery accounts, change of authorization by Cong Admin to transfer funds increased to \$15,000. Account numbers changed in accordance with new account numbering in effect 7.1.21.