

**Board of Directors**

Board Meeting: August 10, 2011

Via conference call

**ACTION: Resolution 8-10-11/C**

**RESOLUTION C: Update Operating Reserve Fund Policy**

**Board Resolution**

The goal of this reserve fund policy is to establish six months of operating expenses over the next two years. The Board of Directors adopts the following policy to build a reserve fund:

Three percent (3%) of all income (including interest income) will be allocated to an operating reserve fund. As Carpe Diem West no longer sponsors projects, there will no longer be funds dedicated to specific projects - all income will be allocated to the general operating reserve.

The Board must approve any use of the reserve funds.

**Background (*Original Reserve Fund Policy, June 2010*)**

The Board of Directors adopts the following policy to build a reserve fund:

Three-percent (3%) of all income, with the exclusion of interest income, will be allocated to an operating reserve fund. Income dedicated to a specific project will be allocated to a reserve fund for that specific project.

The Board must approve any use of the reserve funds.

Once the fund reaches 10% of the current year operating budget, the Board will re-visit this reserve fund policy.

**Approved by:**

**Johanna Wald**

Carpe Diem West Board Secretary

**Date:**