

## **NBLASC Internally Restricted Funds Policy**

### **Purpose:**

This policy establishes guidelines for the oversight, management and utilization of NBLASC's internally restricted funds. The policy ensures responsible and strategic use of internally restricted funds, contributing to the organization's long-term success while maintaining financial stability.

### **Guidelines:**

#### **1. Accumulated Surplus and Restrictions:**

- a) The organization may maintain internally restricted funds derived from the accumulated surplus for contingencies (unforeseen or emergency situations) and for strategic initiatives.
- b) These funds are earmarked for one-time expenditures to enhance the organization's mission and sustainability, including, but not limited to, expansion, innovation and capacity-building projects.
- c) Operational expenditures are expressly excluded from the use of these funds.

#### **2. Approval by the Board of Directors:**

- a) Any allocation or expenditure from internally restricted funds requires prior approval by a majority vote of the Board of Directors.
- b) The Board shall evaluate proposals for the allocation or expenditure of these funds based on strategic alignment, impact assessment and financial feasibility.

#### **3. Minimum Fund Balance:**

- a) The internally restricted fund shall maintain a minimum balance of \$1.5 million at all times in order to protect the organization against unforeseen circumstances.
- b) Deviations from this minimum balance must be approved by the Board of Directors.

#### **4. Reporting by the Executive Director and Chief Financial Officer:**

- a) The Executive Director (ED) and the Chief Financial Officer (CFO) shall provide a detailed report on the status of internally restricted funds at each Board meeting.
- b) The report should include the current balance, any recent allocations, and a summary of any strategic initiatives approved by the Board.
- c) Internally restricted funds shall be presented separately in the notes to NBLASC's financial statements.

**5. Review and Amendments:**

- a) The Board shall periodically review this policy to ensure its continued relevance and effectiveness.
- b) Amendments to this policy require the approval of a majority of the Board of Directors.

Drafted:	Final draft December 21, 2023
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Amended:	
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