

# B9

**Policy:** Financial Management  
**Title:** Reserves and Restricted Funds  
**Objective:** In meeting the needs of its constituents both today and into the future, Orienteering NZ needs to ensure it is both financially sustainable and has sufficient reserves to leverage off of.

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## Procedures:

1. To assist this, Orienteering NZ will have policies in place to determine what the acceptable minimum level of reserves is, and also guidelines for the application of any excess reserves or restricted funds.
2. Orienteering NZ is committed to maintaining sufficient reserves & restricted funds in order to ensure both the current and future sustainability of Orienteering NZ, specifically:
  - A general reserve of \$50,000 shall be maintained, being a level of funds required to enable the future sustainability of Orienteering NZ, and a precautionary level of self-insurance against unexpected financial demands, or sudden loss of revenues.
  - A continuity or cash reserve of \$20,000 shall be maintained, being 10% of the planned level of expenditure in any financial year. This reserve should be sufficient to cover any possible negative cash flows and should be sufficiently topped-up to a sum equal to x % of the approved budget for the current and / or subsequent financial year.
  - Special reserves or restricted funds as required.
3. Orienteering NZ's Council, on advice from the Executive Committee will determine:
  - Orienteering NZ's minimum reserves target(s) and the level of cash reserves required to support its operational needs.
  - Orienteering NZ's Board will also determine the criteria for which any excess reserves or restricted funds are able to be used.
4. In determining reserves or restricted fund targets, Orienteering NZ's Council shall acknowledge:
  - Orienteering NZ's future funding requirements, including any anticipated capital expenditure or long-term projects that increases in reserves and restricted funds will need to be funded through the generation of operational surpluses
5. The implementation and review of these Reserves & Restricted Funds policies are the responsibility of Orienteering NZ's Executive Committee.
6. Orienteering NZ's Council will determine, and communicate to the General Manager, a reserves target and a cash reserves level.
7. Orienteering NZ's Executive Committee will have the right to amend the reserves target and a cash reserves level (with Council ratification) where deemed necessary and urgent.
8. Orienteering NZ's General Manager will determine the basis under which the reserves target and cash reserves level will be achieved and include in the annual budget accordingly.
9. The following Orienteering NZ policies and frameworks should be referred to in this regard:
  - Budgeting Policy