

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

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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 guidelines for the application of any excess reserves or restricted funds.
2. Orienteering NZ is committed to maintaining sufficient reserves and restricted funds to ensure both the current and future viability of Orienteering NZ, specifically:
  - A general reserve shall be maintained comprising an appropriate level of funds needed to fund both discretionary and non-discretionary costs for a minimum period of one year, plus a precautionary level of self-insurance against unexpected financial demands or sudden loss of revenues.
  - A general reserve shall be maintained to cover the costs of paid staff, fees, licences, software, stock management and other known commitments required for the efficient running of Orienteering NZ Inc operations.
  - A continuity cash reserve shall be maintained in the ONZ Cheque account ensuring the following:
    - (i) That a minimum balance of \$20,000 shall be maintained throughout the year
    - (ii) The cash balance shall be sufficient to cover the total costs due for payment in any given month.

This is to be calculated using a cashflow forecast conducted annually using approved budgeted figures.
  - 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.
  - 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