

Organizational Policies and Procedures



Net Asset Reserve Utilization

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Southeastern Libraries Cooperating will accumulate the necessary restricted net assets required for specific and planned purposes to accomplish its mission. The organization will also maintain an appropriate level of unrestricted net assets to ensure the stable delivery of programs and services in the event of unforeseen circumstances. The accumulation of internally restricted and unrestricted net assets shall address organizational goals and will not be a goal in and of itself.

Guidelines

- A. SELCO will strive to maintain an operating unrestricted reserve, excluding net capital assets, of twenty-five (25) percent of total budgeted operating expenses in any fiscal year to meet unplanned and/or unforeseen circumstances.
- B. SELCO will accumulate internally restricted reserves with a clear statement of purpose, a specific level of funding and a projected time frame for the accumulation and draw down of the net asset reserve.
- C. Transfer to and from internally restricted net assets will be at the discretion of the Board of Directors.

Procedures

- A. The internally restricted and unrestricted net asset reserves shall be maintained in accordance with Government Accounting Standards.
- B. If the unrestricted net asset balance exceeds forty (40) percent, a net asset utilization plan may be developed to reduce the balance, if deemed appropriate after a review of the budget, strategic plan and technology plan.
- C. If the unrestricted net asset balance falls below fifteen (15) percent, the Finance Committee will examine organizational revenue and expenditures and recommend a plan to increase the reserve level.