

**APA California Northern Section
Financial Reserve Policy
Adopted: May 5, 2011**

General Reserve Fund

General Reserve Funds are to be used by the Section only if there is a financial emergency or unforeseen financial circumstance that warrants use of these funds. Use of these funds must be approved by a majority of the APA California Northern Section Board. Along with adopting the annual budget each year, the Board will determine a deposit to the General Reserve Fund, if necessary. This fund balance shall be equal to at least one-half of the average annual operating expense budget for the prior three years. The transfer of money to and from the General Reserve Fund will be made in January of each year or as soon thereafter as financially feasible.

Conference Rebate Fund

The Northern Section receives a large conference rebate from the California Chapter when hosting an annual state conference approximately every eight (8) years. The Conference Rebate Funds shall be accounted for separately from the General Reserve Fund. This balance shall generally not be drawn down in any given year by more than 1/8 of the conference rebate for hosting such an event. The transfer of money to and from the Conference Rebate Fund will be made in January of each year or as soon thereafter as financially feasible. Any remaining conference rebate after eight (8) years may remain in the Conference Rebate Fund or can be transferred to the General Reserve Fund or allocated for Section activities and expenses.

Investment of Funds

General Reserve and Conference Rebate Funds shall be invested in financial instruments/securities that will provide the Section with the highest interest rate without risk to the principal balance. A 2/3 vote of the Northern Section Board shall be required to invest these funds in anything other than an FDIC insured savings account.