



SOUTHEASTERN ASSOCIATION OF FIRE CHIEFS

POLICY 2015-08/05 FINANCIAL STABILITY

PURPOSE AND OBJECTIVES:

The SEAFCh is currently dependent on revenue from membership dues and limited royalties to sustain its operations and activities. An additional source of income is profit received from the annual Leadership Conference. However this revenue can vary greatly from year to year with no minimum amount of profit guaranteed. Should there be any significant decrease in any of the SEAFCh revenue sources, annual budgets could suffer and on fact limit operations, activities and functions.

To avoid such detrimental situations the Board of Directors of the SEAFCh chooses to maintain a certain level of financial reserves to ensure that the Association can continue to function. The main concerns of the Board are to assure:

- A. That staff can continue working, primarily to secure new funding
- B. That members are supported and the SEAFCh mission, purpose and objectives are sustained

The level of financial reserves shall be built from profits realized from the annual Leadership Conference.

POLICY: RESERVE FUNDS

In order to develop each annual budget a reasonable anticipated estimate of conference profit will be required before the last Board of Directors meeting in June of each year, when the budget is presented in draft to the Board.

NOTE: Based upon final profit calculations, a budget adopted may be amended.

Profit received from each annual Leadership Conference shall be allocated annually Per the following:

1. 20 % of Conference profits will be allocated to the Annual Operating Budget.

2. 5% of Conference profits will be allocated to a Restricted Reserve Fund. These restricted reserves will build to a maximum of 25% (3 months) of the Operating Budget annually. The use of the Restricted Reserve Funds shall be limited to unanticipated, non-recurring needs or obligations.

Any spending of the Restricted Reserves must be approved by the Board of Directors.

3. The balance of conference profits will be allocated as follows:

- A. Should it be necessary, a designated portion of the conference profits may be placed into the Operating Budget to meet a budget shortfall.

AND/OR

- B. In whole or in part (per A) the balance of the conference profits will be allocated to the Conference Fund with a minimum target amount of \$25,000 to be held in balance as “seed” money for the next conference.

Adopted by the Board of Directors on the 5th day of August, 2015

Lisa Moatts, Executive Director

**Wallace Possich
Constitution and By-Laws Committee Chair**