

<b>Subject:</b>	<b>Budget and Monetary Asset Management</b>		
<b>Policy No.:</b>	<b>B-5</b>		
<b>Original Issue Date:</b>	<b>Review Requirement:</b>	<b>Date of Last Review:</b>	<b>Date Last Revised:</b>
January 1, 2003	3 years	December 14, 2023	December 14, 2023
<b>Previous Revisions:</b>	06/12/2014, 12/13/2018, 01/09/2020, 04/14/2022, 08/10/2023		

**I. OBJECTIVE**

To set forth the limitations and expectations for the Cooperative’s overall budget process, development of work programs, and management of the Cooperative’s monetary assets.

**II. POLICY**

It is recognized that the Board of Directors has the overall fiduciary responsibility for ensuring the Cooperative remains financially sound and the organization’s assets are adequately protected.

- A. Operations & Maintenance and Capital budgets shall be submitted to the Board of Directors for consideration no later than 30 days prior to the beginning of the year.
- B. Annual cash flow projections shall be provided to the Board, which must approve any borrowing of loan funds to finance projects in the construction work plan.
- C. Reserves in the general fund shall be maintained to cover one month of operating expense requirement.
- D. Primary consideration shall be given to preventing any loss of principal, the safety and liquidity of all investments, and management of the Cooperative’s working capital and reserve funds. All Cooperative checking accounts shall be kept in depositories that are insured by the Federal Deposit Insurance Corporation.
- E. A work plan will be developed by Management and provided to the Board. At a minimum, the workplan will be developed every five years and updated every three years.
- F. The Board of Directors will authorize expenditures for operating or capital additions either by its approval of the annual operating and capital projects budget, or by its approval of budget amendments which are reviewed after the annual budget process. The Cooperative will utilize its long-range financial plan in the process of preparing its annual budget.
- G. The Board of Directors shall designate by resolution all depositories in which the Cooperative maintains checking and investment accounts. Such resolution shall designate the individuals who are empowered by the Board of Directors to make

## **B-5 Budget and Monetary Asset Management Director Policies & Procedures**

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deposits, issue checks, drafts or other orders for the payment of money, and withdrawals or transfer of funds from such depositories.

H. A report showing all checking account balances, investments and earnings on working capital and reserves shall be presented to the Board of Directors for review at least monthly.

### **III. RESPONSIBILITY**

The General Manager is delegated authority for administering this policy.

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*Liz McIntyre*