

ARMA Houston Chapter
Treasurer Procedures
Exhibit F – Strategic Reserve Account

I. Objectives

The objective of the Strategic Reserve Account is to provide financial reserves in times of negative cash flow and to allow the Board of Directors to make long-term strategic investments not feasible within annual budgets.

II. Organization

The Board of Directors of the ARMA Houston Chapter appoints a Strategic Reserve Committee, which includes the ARMA Houston Chapter President, Executive Vice President, Treasurer, Secretary and Financial Administrator. The Strategic Reserve Committee may recommend changing the financial institution and/or account used for the Strategic Reserve Account; the ARMA Houston Chapter Board of Directors must approve such changes.

The Board of Directors of the ARMA Houston Chapter designates which members of the Strategic Reserve Committee are signatories on the Strategic Reserve Account; currently these are the ARMA Houston Chapter President, Executive Vice President, Treasurer, and Secretary. Only the signatories are authorized to transfer balances among the Funds in the Investment Account, as well as to authorize investments in New Funds. The Financial Administrator acts as the bookkeeper but cannot be a signatory.

III. Guidelines

- A. To provide an adequate reserve, the Strategic Reserve Account should have a minimum balance equal to the current year Conference income budget.
- B. Until the minimum balance goal is achieved, the net income of the ARMA Houston Chapter's budget should be ear marked to the Strategic Reserve Account.
- C. The current investment goal of the Strategic Reserve Account is to reach and maintain the minimum balance, and to achieve a rate of return at or above current equity indices on the balance above minimum.
- D. The Strategic Reserve Committee monitors the balances among the Funds within the account and transfers money among the funds in order to meet the investment goals. The Strategic Reserve Committee may invest in New Funds to take best advantage in the financial markets.
- E. The ARMA Houston Chapter's Treasurer is responsible for keeping the Strategic Reserve Committee and Chapter Board of Directors advised of developments reported by the brokerage company.
- F. The ARMA Houston Chapter's Financial Administrator is responsible for reconciling account statements.
- G. Only the ARMA Houston Chapter Board of Directors may authorize withdrawals from or deposits into the Strategic Reserve Account.

- H. During times of negative cash flow the ARMA Houston Chapter Board of Directors may authorize transfers of funds from the Strategic Reserve Account to the Checking or Savings accounts.
- I. Whenever the Strategic Reserve Account balance exceeds the minimum balance, the ARMA Houston Chapter Board of Directors may use the surplus funds for any lawful purpose.
- J. The Strategic Reserve Committee will meet each September for the purpose of assessing the Chapter's fiscal situation and recommending any actions necessary to administer the Strategic Reserve in the best interest of the membership.