

Policy Title: RESERVES	Policy No.	No. of Pages
	ACC07	1
	Eff. Date	Rev. Date
	7/2013	1/9/2014 3/7/2016

- I. **PURPOSE:** The purpose of this policy is to establish a reasonable reserve, which provides the school with funds when an unexpected monetary situation arises. The purpose of the reserve is not to balance the annual budget in short fall years but more intended for one unplanned financial outlays.
- II. **POLICY:** Financial reserves shall be maintained at each school shall be maintained as described below:

Kamaile Academy:	\$900,000
Kualapu`u School:	\$587,100
Waimea Middle School:	\$446,100

At its December meeting (post Audit and October count) each school year, the Finance/Budget Committee will review each school's financial statements to verify the current level of financial reserves. The Finance/Budget Committee will determine if the reserve level is adequate and make a recommendation to the Ho`okāko`o Board of Directors in the event additional funds need to be allocated to increase the reserve as part of the following school year's budget.

Maintenance of Reserve Minimum: If the financial reserves do not meet the required minimum level then a plan of action shall be developed by the Finance/Budget Committee to remedy the situation and approved by the Ho`okāko`o Board of Directors.

Handling Reserve Overages: If the financial reserves grow to exceed the specified reserve, then the Finance/Budget Committee along with Administration will develop a plan of action in consideration of the strategic plan for the school to utilize the funds over a reasonable time period to be approved by the Ho`okāko`o Board of Directors.