

DINING SERVICES NET ASSETS RESERVE POLICY

I. NAME

This document shall be called the Dining Services Net Assets Reserve Policy.

II. PURPOSE

The purpose of this policy is to document the approved Dining Services reservation of net assets.

III. DATE OF EFFECTIVENESS

The policy shall be effective upon approval of the Associated Students Businesses Committee (ASBC) and reported to the Associated Students Board of Directors (AS BOD).

IV. AMENDMENTS

This policy may be amended by a 2/3 majority vote of the ASBC and report to the AS BOD.

V. POLICY

DINING SERVICES

Invested in Fixed Assets

The invested in fixed assets reserve shall be equal to the cost of the fixed assets less the sum of accumulated depreciation and debt related to those assets.

Working Capital

The working capital reserve shall be equal to three percent of the cost of sales and operating expenses for the preceding year of all dining service areas, except Sutter Residential Dining, or \$75,000, whichever is greater, up to \$125,000.

Capital Replacement

The capital replacement reserve shall be equal to ten percent of the total cost of fixed assets of all dining service areas, except Sutter Residential Dining, up to \$75,000.

Contingency

The contingency reserve shall be equal to one and one-half percent of the operating expenses for the preceding year of all dining service areas, except Sutter Residential Dining, up to \$35,000.

Facilities Upgrade

The facilities upgrade reserve shall be equal to \$500,000.

Approved ASBC: 4/20/15
Reported to AS BOD: 4/20/15