

WILDCAT STORE NET ASSETS RESERVE POLICY

I. NAME

This document shall be called the Wildcat Store Net Assets Reserve Policy.

II. PURPOSE

The purpose of this policy is to document the approved Wildcat Store reservation of net assets. The net asset reservations established by this policy are vital to ensure the stability of the mission, operations and long-term financial well-being of the Wildcat Store and to provide a source of internal funds for organizational priorities such as facility management and resources to resume store operations should the need arise.

III. DATE OF EFFECTIVENESS

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

IV. AMENDMENTS

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

V. POLICY

A. NET ASSET RESERVES

Non-Cash Reserve

Invested in Fixed Assets

The invested in fixed assets reserve covers the cost of existing fixed assets within the Wildcat Store area.

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.

Cash Reserves

Future Operations

The future operations reserve sets aside funds to establish an AS self-operated student store, should the need arise.

The future operations reserve shall be equal to \$2,500,000.

Facilities Upgrade

The facilities upgrade reserve sets aside funds to perform facility upgrades, in order to reduce the impact on current operations cash flow.

The facilities upgrade reserve shall be equal to \$700,000.

B. CASH RESERVES FUNDING AND INVESTMENT PROCESS

Cash reserves will be funded with Wildcat Store surplus unrestricted net income. The cash reserves will be held with the general cash and investments of the Auxiliaries Activities Fund and will be invested in accordance with the AS Investment Policy.

C. NET ASSETS RESERVE MONITORING

Wildcat Store net asset reserves will be reviewed as part of the annual budget approval process, including actual experience as of the prior fiscal year end and future projections. Plans to restore any net asset reserve shortfalls will be included in this process.

D. CASH RESERVES SHORTFALL

In the event Wildcat Store cash reserves fall below the calculated level at fiscal year end, the shortfall will be applied to the reserves in the following order:

1. Facilities upgrade reserve
2. Future operations reserve

Approved AS BOD:	4/13/15
Reported to ASBC:	5/4/15
Approved AS BOD:	4/24/19
Reported to ASBC:	4/29/19