

## **SAIL MANITOBA**

### **OPERATING SURPLUS POLICY**

#### **1. Statement**

The Board of Directors of Sail Manitoba has determined it is in the interest of the organization to establish and maintain an operating surplus to provide protection in the case of an economic downturn or other unanticipated financial stress.

#### **2. Administrative Procedures**

With respect to the organization's surplus, the Board has determined that the annual surplus shall be established and maintained at \$5000 at year end.

Accordingly, the Association shall:

- a) Effective the 2016-2017 fiscal year, allocate a contribution to the operating surplus of not less than \$5000 as part of the expense budget until the goal of 25% of annual operating expenses is achieved.
- b) Once the operating surplus goal of 25% of annual operating expenses is achieved, continue to budget annually an appropriate amount to maintain the operating surplus at that level.

The Board reserves the right to modify the above during the annual budget approval process should special circumstances or the needs of the organization demand in order to maintain a balanced annual budget.

#### **3. Monitoring**

To satisfy the Board that this policy is being complied with, each year, the Board shall review the auditor's report to confirm the budgeted contribution to the operating surplus has been properly applied, and determine if this policy needs amendment.

#### **4. Responsibility, Review and Approval**

The administration and review of this policy is the responsibility of the Executive Director. This policy was first approved by the Board of Directors of Sail Manitoba on February 8, 2017. The next re-approval date is February 2020.