Mt. Gretna Campmeeting Association

Capital Reserve, Restricted, & Designated Fund Policy

Purpose:

The purpose of the policy is to provide guidelines for Board Members, Committee Chairs/Members, and MGCA Staff Members on the administration and use of Designated Funds.

Definitions:

A restricted fund is one which has been set aside for a specific purpose and cannot be used for other expenses. Typically, the donor will restrict their donation.

A designated fund is one which has been set aside for a specific purpose or activity but can be used for other expenses. Monies are typically added to designated funds through the MGCA annual budget process, or by voting a transfer of funds from one fund to another.

Policy Detail:

1. While appreciating the thought behind gifts and donations, the Board reserves the right to not accept gifts and donations.
2. Unrestricted Donations
    a. Unrestricted donations may be applied to the current year's annual budget or placed in a designated fund.
3. Capital Reserve Funds, General and Water
    a. Deposits may be made into the Capital Reserve Funds in various ways. Some of them are:
        i. Unrestricted donation,
        ii. As part of the annual budget process, or
        iii. As a transfer from a designated fund by vote of the Board of Managers.
    b. Capital Fund contributions that are made as part of the annual budget process will be aligned with the Capital Reserve Study. (Note: In order to lessen the burden on MGCA Members, for 2027 the MGCA is increasing at 75%, rather than 100%, to meet the requirements of the Reserve Study. Then, in 2028, and moving forward the budget will meet the requirement at 100%.)

c. Expenditures from the Capital Reserve Funds may be made as follows:
    i. Up to 15% of the Capital Reserve Fund may be used for a stated purpose in the Capital Reserve Study with Executive Committee approval.
    ii. If a project expenditure is more than 15% of the fund, a vote by the Board of Managers is required.

4. Restricted Funds
    a. In general, the Board will encourage all donors to state what they want their donations to be used for.
    b. If funds are deposited into a restricted fund by either a donor or by vote of the Board of Managers, these funds may not be used for any other purpose.
    c. Expenditures from a Restricted Fund may be made as follows:
        i. No approval is required for expenditures from a Restricted Fund with a balance of $1,000 or less.
        ii. Up to 15% of the Restricted Fund may be used for its stated purpose.
        iii. If a single expenditure is more than 15% of the fund, with a recommendation from the Finance Committee, a vote by the Board of Managers is required.
5. Designated Funds
    a. Deposits may be made into designated funds in various ways. Some of them are:
        i. Unrestricted donation,
        ii. As part of the annual budget process, or
        iii. As a transfer from one designated fund to another designated or restricted fund by vote of the Board of Managers.
    b. Designated Fund contributions that are made as part of the annual budget process must be justified by specified future projects and plans.
    c. Expenditures from a Designated Fund may be made as follows:
        i. No approval is required for expenditures from a Designated Fund with a balance of $1,000 or less.
        ii. Up to 15% of the Designated Fund may be used for its stated purpose.

iii. If a single expenditure is more than 15% of the fund, with a recommendation from the Finance Committee, a vote by the Finance Committee or the Board of Managers is required.

6. Cross-Spending of Funds
    a. Funds collected must be used for their stated purpose. However, with proper approval, it is permissible for Designated Funds to "borrow" from one another if "paid back" within one year.

Discretionary Power: Finance Committee

Dates: Adoption: April 15, 2025
Revision: May 26, 2026, November 17, 2026
Rescission: