LPC Finance/Investment Committee Meeting

6-12-2026

Agenda

Review Proposed Reserve Policy

Investment Committee Discussion:

–Update on current balances/positions

-Stay the course? Any changes recommended?

Upcoming Work 2026

–Develop Fiscal Sponsorship Policy

-Endowment Agreement/Endowment Management

2026 Budget Revision

Investments–As of 4/30/2026

Total Cash and Investments:	$864,242.33
Total Operating Cash:	$317,743.87
Total Restricted/Designated:	$546,498.46
Total Operating Cash at PNC:	$245,676.66
Total Operating Cash at Schwab:	$72,067.21
Total Invested in Schwab ETF:	$602,000
Schwab ETF Short Term Treasury Yield:	3.35%

Investment Committee

- Stay the course? Do we want to make any changes to our investment positions?
- What do we need to be thinking about in the next 3-6 months?

Review Proposed Reserve Policy

Current “Policy”:

Maintain 3-6 months of cash available to help flow through lower revenue-generating months.

Some cash held at PNC; some invested at Schwab in ETF Short-term Treasury Fund.

Operating Cash on Hand as of 4/30/2026:

$317,743.87

Months of Cash on Hand:

3.78

Proposed Policy

PURPOSE/DEFINITION

The purpose of the Reserve Fund for the Lincoln Park Conservancy is to help ensure the long-term ability of the organization to meet its mission.

The Reserve Fund is defined as funds set aside by action of the Board of Directors. Its ongoing operation and oversight is delegated to the Finance Committee.

OBJECTIVES

- To create an internal line of credit to manage cash flow and maintain financial flexibility.
- To enable the organization to sustain operations through delays in payments of committed funding.
- To pay for one-time, nonrecurring expenses that will build capacity, such as staff development or research and development.

The Reserve Fund is not intended to replace a permanent loss of funds or eliminate an ongoing budget gap.

LPC also aims to hold at least 3-6 months of operating cash on hand to flow through variances in monthly performance in its operating accounts.

Proposed Policy Continued

TARGET MINIMUM AMOUNT

The minimum amount to be designated for the Reserve will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The Target Minimum Reserve Fund is equal to 3-6 months of operating expenses on average.

The calculation of average monthly operating expenses includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation, nor are expenses for approved capital projects.

Proposed Policy Continued

FUNDING RESERVES

The Reserve Fund will be funded annually with surplus unrestricted operating funds and as an expense included in the organization's annual budget.

To establish the Reserve Fund, the LPC Board of Directors will designate 2.5% 2026 total projected revenues or approximately $39,600 by 12/31/2026. In addition, the Board of Directors will designate existing accumulated liquid unrestricted net assets above the six months of operating cash on hand as the beginning balance of the fund.

The remaining balance is to be funded over the next four years through funding strategies incorporated into annual fundraising and budget planning with an annual goal of 5% of total projected revenues budgeted towards Reserves until the target minimum has been achieved.

		% Funded		Additional Liquid Net Assets
Year 1	2026	$39,600		$400.00
Year 2	2027	$80,000		$20,000
Year 3	2028	$80,000		$20,000
Year 4	2029	$80,000		$20,000
TOTAL		**$279,600**	**+**	**$60,400 = $300,000**

The amount of the Reserve Fund Target Minimum will be calculated each year as part of the annual budgeting process. This amount will be reported to the Finance Committee/Board of Directors and included in the regular financial reports. The Board of Directors may from time to time direct that a specific source of revenue be set aside for its reserves. Examples may include one-time gifts or bequests, special grants, or special appeals. Organizational staff will ensure that any donations designated for the Reserve Fund will not carry restrictions that conflict with the Board's oversight of the fund as outlined in the policy.

Proposed Policy Continued

INVESTING RESERVES

The Reserve Fund will be funded and available in cash or cash equivalent funds, in accordance with the risk preferences, liquidity needs and investment objectives of the organization.

The Reserve Fund will be maintained in a segregated bank account or investment fund, in accordance with the organization's Investment Policy. Policies and procedures for handling deposits, reconciling statements, safeguarding access, etc. will be the same as for any of the organization's other bank accounts.

SHORTFALLS

If the Reserve is less than 3% of the target reserve minimum for two consecutive years, the Board of Directors will adopt an operational budget with a projected surplus sufficient to rebuild the Reserve Fund to its targeted reserve level over a prescribed number of years.

ACCOUNTING FOR RESERVES

The Reserve Fund will be listed separately in the unrestricted net assets section of the organization's Statement of Financial Position as "Board-Designated Reserve" and the status of borrowings from the reserve will be reported in financial reports to the Board.

Proposed Policy Continued

MANAGEMENT IDENTIFIES APPROPRIATE USE

The Executive Director and staff will identify reasons for accessing the reserve funds and confirm that Its use is consistent with the purpose of the reserves as described in this Policy. As a part of this process, the Executive Director will do the following:

- Analyze the reason for the needed funds.
- Assess the availability of any other sources of funds before using reserves (e.g. line of credit).
- Evaluate the time period that the funds will be required, and then replenished.

BOARD AUTHORIZES USE AND MONITORS RESERVES

The Executive Director may access the reserves for purposes as outlined above, as long as sufficient funds are available to repay such usage within six?twelve? months' time.

The Executive Director will submit a request to the Treasurer/Finance Committee in writing, which will include the analysis and determination of the use of funds and plans for replenishment (as outlined above).

The Treasurer/Finance Committee will approve in writing or modify the request and authorize transfer from the fund. Email is an acceptable form of notification and acknowledgment.

Proposed Policy Continued

BORROWING FROM RESERVES

Any funds borrowed from the Reserve Fund for longer than six?twelve? months will be paid back through a prescribed repayment schedule. The Executive Director shall request approval of any such usage and the proposed repayment schedule from the Board of Directors. If approved, such disbursement shall be reported at the next full board meeting. At any time that a borrowing from the Reserve is outstanding, the status of the borrowing and payments made will be reviewed at Board meetings.

A draw-down from the fund that cannot be replaced in the timeframe established above must be approved by a majority of the Board, either by a majority of the votes of quorum present at a regular Board meeting, or by a two-thirds majority of the Board if such vote is conducted by other means. A record of such action will be maintained and be made a part of the Board meeting minutes.

REPORT AND MONITOR USE OF FUNDS

The Executive Director is responsible for ensuring that the Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Reserve, the Executive Director and finance staff will maintain records of the use of funds and plan for replenishment. The Executive Director will provide regular reports to the Board of Directors/Executive Committee of progress to restore the fund to the target minimum amount.

Proposed Policy Continued

REVIEW OF POLICY

This policy will be reviewed every year/every other year at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by
the Finance Committee to the Board of Directors.