



Reserves Policy

The purpose of a Reserves Policy is to ensure the organisation can cope with unexpected financial demands or a sudden loss in revenues. The aim of the policy is to determine the acceptable minimum level of reserves and to provide guidelines for the application of any excess funds

A reserve of NZ\$125,000 shall be maintained, being a level of funds required as a precautionary level of self-insurance against unexpected financial demands, or sudden loss of revenues.

In the case of a sudden loss of revenues, Badminton Oceania would firstly determine if this is only a short-term loss or if it is long term – ie. Over 6 months. If this loss is long-term then Badminton Oceania would take immediate steps to reduce expenditure through the following:

- Reduction of staffing levels. All staff have a clause in their employment contracts allowing BOC to give 4 weeks notice. In good faith BOC to work towards a minimum of 8 weeks notice for staff who they deem they could no longer retain
- Take steps to reduce the office rent cost through further sub-tenants
- Take steps to reduce office over-heads and operational costs
- Take steps to exit any contracts for delivery where are in place
- Reduce programme delivery accordingly
- Reduce Executive Committee and AGM costs to a minimum

In addition to the above amount a maximum cash reserve of NZ\$75,000 shall be maintained to cover any possible negative cash flows.

Reserves to be accumulated at the rate of 50% of any surplus from the end of year accounts.

In the case of an operating deficit for the year, the deficit to be covered through the cash reserves fund.

In consultation with the Secretary General the Badminton Oceania Executive Committee to approve how any excess reserves or surplus funds are to be used

Both the general reserves and cash reserves amounts to be combined and held in one specific account with interest generated compounded in that account.