## Cash Availability Policy Template

**Effective Date**: [Insert Date]
**Revision Date**: [Insert Date]
**Approved By**: Board of Directors

**1. Purpose**

To provide a step-by-step process for monitoring, accessing, and replenishing cash reserves in alignment with the Cash Availability Policy.

**2. Procedure**

**2.1 Establishing Cash Reserve Levels**

* Calculate the average monthly operating expenses using the past 12 months’ financial data.
* Determine the reserve requirement by multiplying the monthly average by [INSERT VALUE, E.G., THREE MONTHS].

**2.2 Monitoring Reserves**

* Review cash reserve levels monthly as part of the financial reconciliation process.
* Generate a reserve status report for inclusion in quarterly financial updates to the board.

**2.3 Accessing Reserves**

* Submit a written request for reserve usage, including the amount and justification, to the finance committee.
* Secure approval from the finance committee and, if required, the board of directors.
* Document all approvals and usage in organizational records.

**2.4 Replenishing Reserves**

* If reserves fall below the threshold:
	+ Develop a replenishment plan detailing strategies to restore reserves within [INSERT TIME FRAME, E.G., 12 MONTHS].
	+ Include the replenishment plan in the next finance committee meeting for review and board approval.

**2.5 Reporting**

* The finance team will:
	+ Include reserve levels and any usage/replenishment updates in monthly internal financial reports.
	+ Present reserve analyses in quarterly board meetings.

**3. Roles and Responsibilities**

* **Finance Team**: Tracks reserve levels, initiates replenishment plans, and prepares reserve reports.
* **Finance Committee**: Reviews reserve usage requests and approves replenishment strategies.
* **Board of Directors**: Provides final oversight for reserve policies and major decisions.

**4. Review and Revision**

This procedure will be reviewed alongside the Cash Availability Policy to ensure consistency and effectiveness.

Approved by: [Insert Name or Position]
Date: [Insert Date]
Review Date: [Insert Date]
Next Review Date: [Insert Date]