

**Society of Women Engineers
Reserve Fund**

**~~RESOLUTION TO AMEND AND RESTATE CONTINGENCY
RESERVE FUND~~**

RESOLVED, that:

~~WHEREAS, the Council of Representatives (“the Council”) of the Society of Women Engineers established a Contingency Reserve Fund (“the Fund”); and~~

~~WHEREAS, the Senate (successor body to the Council) desires to make certain changes to the Fund;~~

~~NOW, THEREFORE, the Senate hereby amends the terms and conditions of the Fund to read in full as follows:~~

**~~RESERVE FUND~~ OF THE
SOCIETY OF WOMEN ENGINEERS**

(As amended by the Senate and made effective on ~~October 15, 2011.~~February 10, 2018)

- I) The name of the fund shall be the Reserve Fund (hereinafter referred to as “the Fund”) of the Society of Women Engineers (hereinafter referred to as “the Society”).
- II) The purpose of the Fund is to help ensure the long-term financial stability of the organization and position it to respond to varying economic conditions and changes affecting the organization's financial position. ~~The Fund balance's Base Level as of June 30 for this purpose Fund's target balance shall be defined as 7560-70% of the unaudited 3-year rolling average of the General Operating Expense for the year ended June 30. The Fund balance up to and including the Base Level shall be referred to as Emergency Reserve; any balance above the Base Level shall be referred to as Special Projects Reserve.~~ Definitions of other terms which are integral to this document are specified in section ~~XIII.XII.~~
- III) The Fund may be used as follows:
 - a) ~~Emergency Reserve~~—At any time the ~~Senate~~Board of Directors may, at its discretion, authorize a withdrawal to enable the Society to withstand situations that may threaten its existence as an organization and to promote public and donor confidence in the long-term sustainability of the organization; ~~or,~~
 - b) ~~Special Projects Reserve~~—If the audited value of investments in the Fund as of June 30 exceeds the Base Level, then, subject to the provision of section III(c), the Board of Directors may, at its discretion, authorize withdrawal(s) of any or all of the excess for to provide opportunity funds for special projects, emerging initiatives, and non-recurring expenses as identified by the Board of Directors,

~~the Strategic Planning Committee, and/or the Senate. Such request(s) for withdrawal(s) must be submitted to the Board of Trustees at least thirty days prior to the close of the fiscal year which immediately follows the fiscal year covered by the most recently accepted audit.~~

- ~~d) Withdrawals from the Special Projects Reserve must be reviewed by a subcommittee of the Senate and the SWE Finance Committee. This subcommittee shall review and make their opinion known, and may inform and/or solicit feedback from the entire Senate on a case-by-case basis.~~
- ~~e) The Board of Trustees shall remit monies on ana schedule agreed upon schedule after receiving notification of an authorized withdrawal or required transfer with the SWE Treasurer in order to maintain investment of funds as long as possible. A minimum of sixty days' notice shall be provided.~~

~~III) Income/transfers to the Fund shall consist of:~~

- ~~h)b) Income earned on the as well as sell assets of the Fund; at an appropriate time.
The entire amount~~

~~IV) Maintaining the Reserve Fund balance:~~

- ~~i) If the Reserve Fund balance is outside the target range as calculated in paragraph X of each unrestricted donation greater than \$25,000 received this document and validated by the Society;~~
- ~~j) Any donations received by the Society that are specifically designated for the Fund; and~~
- ~~k) A minimum of 5% of the audited national conference excess audit, the Board of Trustees shall be transferred provide a recommendation to the Fund; any amount greater than 5% may be transferred if approved by the Board of Board of Directors.~~
- ~~l) If as of June 30, on reconciling the balance in the Fund falls below the Base Level defined in Paragraph II, either through withdrawals or losses on investment, the BOD will adopt an operational budget that includes a projected surplus sufficient discrepancy to rebuild the Fund to the Base Level within a two-three year period as agreed with the Senate.~~
- ~~m) Income and transfers to the Fund will first be applied to the Emergency Reserve to maintain the Base Level. Any additional income and transfers to the Fund will be applied to the Special Projects Reserve. There is no minimum or maximum level for the Special Projects Reserve.~~
- ~~n)a) The Treasurer of the Society shall remit any income received for the Fund within sixty days of receipt and shall transfer any amount due to the Fund the target range within sixty days following acceptance of the audit. The Board of Directors shall vote on the Board of Trustees recommendation. Based on that vote, a transfer shall be made from/to the General Operating Fund to bring the Reserve Fund into compliance.~~
- ~~b) Reserve Fund balance projections shall be included in the 3-year rolling operating budget and shall demonstrate compliance with the target range for each budgeted year. Levers for maintaining compliance include:
 - ~~i) adjustments to the budgeted operations expenses~~
 - ~~ii) budgeted transfers between the Reserve Fund and the General Operating Fund~~~~

- iii) review/update of this document per paragraphs V & XI.
- c) In the event of an authorized withdrawal from the fund within the past 3 years, paragraph IVa does not apply and the Fund balance projection from the 3-year rolling operating budget from paragraph IVb shall not be required to show compliance with the designated target for FYxx+1 or FYxx+2, but shall demonstrate compliance as of the FYxx+3 budget.

~~V)V~~ V) To ensure the Fund continues to serve the needs of the Society, this document shall be reviewed at least every ~~five~~three years by a subcommittee made up of members of the Senate, Board of Directors, Board of Trustees ~~and~~, Finance Committee. Staff may be consulted as needed. The results of this review shall be provided to the Senate and the BOD.

~~V)VI~~ VI) The Fund shall be administered by ~~at~~the Board of Trustees in accordance with the Bylaws of the Society of Women Engineers Endowment Fund, Inc. The Board of Trustees shall have the power to establish, modify, and amend the policies and procedures governing the investment and administration of the Fund. The Board of Trustees shall review the investment policy with the Board of Directors annually or when significant changes are made.

~~V)VII~~ VII) The Board of Trustees shall have the power to invest and reinvest the assets of the Fund in such securities or other investments as it deems suitable and to select competent counsel for these investments. Investment, administrative, management, and any other expenses incurred by or under the direction of the Board of Trustees that are specifically associated with this Fund shall be paid from the Fund. However, any charges or allocations in support of the Board of Trustees that are incurred by or under the direction of personnel at the Society's headquarters office shall be classified as a General Operating Expense of the Society.

~~V)VIII~~ VIII) The Board of Trustees shall provide the Treasurer of the Society with the value of the Fund balance within thirty days after the close of each quarter. In addition, the Board of Trustees shall provide the Treasurer of the Society with an unaudited accounting of the Fund within sixty days after the close of the fiscal year or at any other time if requested by either the President or Treasurer of the Society.

~~V)IX~~ IX) An audit of the Fund shall be conducted annually by an independent auditor in conjunction with the audit of the General Fund of the Society. Expenses of such audit shall be a General Operating Expense of the Society and not charged to the Fund.

~~IX)X~~ X) ~~The Treasurer~~ Upon approval of the annual audit, the Society Treasurer shall use amounts as presented in the three most recent accepted ~~audit~~audits to determine ~~if any transfers are required in accordance with paragraph IV(d)~~the target range for the reserve fund and shall provide that determination to the Board of Directors and the Board of Trustees within thirty days following acceptance of the audit. The Board of Trustees shall have the right to dispute that determination and provide its own determination to both the Treasurer and President of the Society for review. If

any differences are not subsequently resolved, the determination as provided by the Board of Trustees shall be final.

~~X)XI)~~ The Senate by a two-thirds vote, provided a quorum has voted, shall have the power to amend or to discontinue and dissolve the Fund and direct the use of the net assets thereof for any proper purpose(s) under the Articles of Incorporation of the Society.

~~XI) In the event any fiscal year does not include a twelve-month period, the Base Level shall be defined as 75% of the audited General Operating Expense for the most recent fiscal year which covered a twelve-month period, and all references to June 30 in this document shall change to correspond to the last day of the fiscal year.~~

~~XIII)XII)~~ Definitions of other terms used in this document:

a) The General Fund consists of the General Operating Fund and all other funds (Reserve Fund, individual national conference funds, temporarily restricted funds, and permanently restricted funds) that use the Society's employer identification number (EIN; also known as taxpayer identification number, TIN). Each fund within the General Fund shall be accounted for separately and maintain its own fund balance. The General Operating Fund shall be used for all transactions other than those which are specifically identified and accounted for in other General Fund accounts or in funds that do not use the Society's employer identification number.

b) General Operating Expense shall be defined as:

i) For approved audits: SWE expenses less conference expenses, less "net assets released from restrictions", less depreciation, as published in the Society's audit.

ii) For current and future fiscal years: the expenses from the operations budget (general income statement). The FYxx+1 budget shall use the FYxx-1 audit, FYxx budget, and FYxx+1 budget for the 3-year rolling average calculation.

~~b)c)~~ The fund balance of the General Operating Fund shall be known as Unrestricted Net Assets of the General Operating Fund.

Historical Footnote:

The Contingency Reserve Fund was established by the Council of Representatives (CSR) in 1982 as an emergency fund. It has been amended numerous times by the CSR and its successor ~~body~~bodies the Council of Representatives (COR) and the Senate. The last revision was in 2007-2011.

This revision aligns fiduciary responsibility by changing the authorization for emergency withdrawal from the Senate to the Board of Directors. Additionally, the provision for the Special Projects Fund has been removed. As the Society has evolved, the strategic planning and rolling budgeting process is much more robust, and previously designated special projects will be planned for through this process moving forward.