

CCA Asset Management and Protection Policy (Tangible and Intangible Assets)

7-7-09

Asset Protection, Generally - The Executive Director shall ensure that the Association's assets are protected and adequately maintained and shall avoid unnecessary risk. Accordingly, the Executive Director shall:

1. Develop and implement a risk management program to minimize damage, loss, injury, business interruption and unnecessary exposure of the organization, its board, or staff to claims of liability, including protection of intellectual property, information, and files from loss or significant damage
2. Insure against income, theft and casualty losses to at least 80 percent of replacement value and against liability losses, and errors and omissions losses to board members, staff, and the organization itself in amount greater than the average for comparable organizations.

Identity and Image - The Executive Director shall not change CCA's name, substantially alter its identity in the community, or endanger the organization's public image or credibility

Real Property -

1. Approval of the board shall be required to:
 - (a) acquire, encumber, or dispose of real property
 - (b) add to or materially alter the use of any significant real asset
 - (c) lease real property for periods longer than one year, or under forms of agreement or for purposes that have not been previously approved by the board
2. The Executive Director shall ensure that the Chautauqua grounds are maintained in accordance with a prioritized plan presented annually for review and comment by the Building and Grounds Committee as part of annual budget preparation.

Repair and Maintenance, Capital Replacements, Capital Additions

The Executive Director shall develop and implement a multi-year Capital Asset Management and Preservation Plan (CAMPP) for the Association's physical assets and an annual Capital Improvement Program (CIP) that incorporates repair and maintenance as well as capital replacement and capital additions.

Five-year Capital Asset Management and Preservation Plan (CAMPP) - Multi-year planning for repair and maintenance, capital additions and capital replacement of the Association's physical assets (buildings, grounds, equipment/systems) is intended to anticipate needs in order to prioritize, sequence and financially plan for what often are substantial expenditures. Industry standards in determining routine/preventive maintenance schedules and the useful life of assets and best practices in cultural resources management shall be utilized in preparing the five-year CAMPP and in updating it annually.

Annual Capital Improvement Program (CIP) -

1. The CIP shall address estimated costs (including associated administrative costs) for:
 - a. Existing assets -
 - (i) routine/preventive maintenance (non-capital)
 - (ii) repairs to existing assets that:
 - (aa) present a safety/security situation
 - (bb) increase revenues or decrease expenses, or
 - (cc) are required by the Americans with Disabilities Act
 - (iii) capital replacement
 - b. New assets - capital additions and additional equipment
2. The CIP shall be presented to the board for approval as part of the annual budgeting process.

Capitalization Policy - It is the Association's policy to capitalize all assets purchased that meet any of the following criteria:

1. asset costs \$1,000 or more individually;
2. assets associated with new construction or remodel of a cottage or public building;
3. new landscaping (hardscape and/or softscape) when in aggregate the cost exceeds \$5,000 and it is part of a comprehensive plan that may include phased implementation over a maximum of three years; or
4. assets are a collection of identical items that cost less than \$1,000 individually but aggregate to \$5,000 or more and are part of a new installation or substantial/complete replacement evidenced by a formal written plan, either of which may be phased in over a maximum of three years.

CCA Financial Planning and Management Policy

7/28/09

Financial Planning and Budgeting – The Executive Director shall ensure that financial planning for any fiscal year, or the remaining part of any fiscal year, substantially complies with the board's strategic objectives and approved annual priorities, avoids risk of fiscal jeopardy, and is based on a multi-year plan. Budgeting shall be based on credible projection of revenues and expenses, with separation of capital and operational items, cash flow projections, and disclosure of planning assumptions. Planned expenditures in any fiscal year shall be based on conservative projections of funds to be received or made available in that period. Budgets must plan for timely reduction of principle on outstanding debt. Not less than 20% of the Association's projected gross profit shall be allocated to the Capital Improvements Program (CIP). The budget shall be planned to achieve an annual cash flow surplus of at least \$1, generally defined as revenue minus the sum of (1) operating expenses (less depreciation expense) and (2) capital expenses. Under certain circumstances the board may approve budgeting for a cash flow deficit funded by board-approved use of retained earnings or other board-approved funding sources (e.g., loan proceeds, bond issuance). It is desirable to budget to maintain a projected fiscal year-end quick ratio of 1:1. The quick ratio is defined as current assets divided by current liabilities, deducting the sum of deferred revenue and deposits (security and advanced) from both sides of the equation.

Executive Director's Fiduciary Duties

The Executive Director shall:

- borrow funds, including accessing the board-approved revolving line of credit, only with the approval of the board except for regular use of credit cards for incidental expenses
- use credit only in an amount no greater than can be repaid by certain-to-be-received, otherwise unencumbered current fiscal year revenues by fiscal year-end
- use any Board-designated long-term reserves or endowment funds only with the approval of the board
- use any other restricted funds only for the restricted purpose
- in all purchases: (a) ensure against conflict of interest; (b) for purchases over \$2,000, obtain comparative prices and quality; (c) for purchases over \$25,000, obtain competitive prices and consider the balance of long-term quality, cost, and value
- communicate to the board regarding any single purchase or commitment of greater than \$25,000 if such item is inconsistent with planning assumptions previously disclosed to the Board
- Invest or hold operating capital in secure instruments or in interest-bearing accounts except where necessary to facilitate ease in operational transactions