

Pentacle Theatre Policy	SUBJECT: Emergency Fund
Approved By: Heather Dunkin Toller Board President	Effective Date: July 24, 2017

Purpose: The purpose of this policy is to outline Pentacle Theatre’s standards regarding the establishment and use of the Emergency Fund.

Definitions: *Dire emergency:*

- A need for funds to cover *unexpected* operating expenses when the theatre’s cash reserves are insufficient or exhausted,
- A need to make immediate major repairs to the theatre facility due to catastrophic damage caused by act of nature or man,
- Any circumstance requiring immediate expenditure of funds to protect the welfare and safety of the theatre’s patrons, staff or volunteers, where the expenditure would exceed resources available from the annual budget.

*Emergency Fund:* A reserve account that serve as a cushion against unexpected but necessary expenses or a sudden loss of income.

Policy: The Emergency Fund will be maintained separately from the operating budget.

The Emergency Fund is an investment tool.

\$250,000.00 of the Emergency Fund will be restricted for use in case of dire emergency.

A minimum of \$10,000.00 will be paid annually to the fund.

Procedure: Once a dire emergency is identified, the Treasurer will bring it to the attention of the governing board for discussion and action.

Funds will be dispersed through approved expenditure authority.