MEMORANDUM

DATE: MARCH 13, 2019

TO: BOARD OF DIRECTORS OF THE HUNGER COALITION

FROM: RICK WEBKING, TREASURER

RE: NEW POLICIES AND RELATED REVISIONS SUBMITTED FOR BOARD APPROVAL

Staff and the Finance Committee have worked together over the last year to develop or modify existing written guidelines for the management of THC’s Operating Reserve, Critical Needs and Endowment Funds. Changes are also proposed for the investment policy statements and other policies to make them consistent with the new/revised documents.

1. Strategic Reserve (SR) Management Policy

This policy states the purpose of the SR and the rules associated with spending these reserve funds. The Finance Committee believes that the change from “endowment fund” to “strategic reserve” will reduce the chance for confusion as a true endowment has certain tax and legal definitions. This fund is managed with a mid to long-term view.

2. Gift Acceptance Policy

This policy is being modified to make clear that THC will in fact accept restricted donations in the form of a true endowment. A minimum gift of $500,000 is required in order to reduce the administrative burden of tracking many individual restricted endowment gifts. The SR Policy should give comfort to donors wanting to help us achieve long-term financial stability without creating complicated endowment compliance requirements.


This policy describes the reason for establishing and maintaining a fund to be used in the short to mid-term for funding operating expenses related to program expansion and unforeseeable short-term economic pressure.

4. Investment Policy Statement

Modifications to an existing IPS were made to make references to the SR and CNF consistent with the above referenced Policies. This document summarizes the responsibilities of the Board, Finance Committee and Investment Advisors in managing the investments associated with each fund.
5. Operating Cash Management Policy

This Policy provides guidance to the Treasurer, ED and Director of Operations for day-to-day management of the demand-deposit bank account and short-term money market account(s). We are in the process of establishing a money-market account to link with a xero-balance checking account in order to earn income on idle operating reserve funds.

These documents have been reviewed with Staff. The Finance Committee recommends that the Board adopt these Policies as written.