

First Unitarian Church of Des Moines

Operating Policies – Capital Maintenance Fund

PURPOSE:

The purpose of the Capital Maintenance Fund is for non-routine repair, improvement or replacement of items of significance with the existing building, grounds and equipment. “Items of significance” are defined as items for which the cost of non-routine repair, improvement or replacement would equal or exceed \$2,500. Documentation on compliance with this policy when expending funds will be reported to the Board in the monthly Executive Report.

FUNDING:

- a. **Operating budget** - The annual target amount to set aside from the operating budget would be \$1 per square foot of building space annually (currently \$23,000). The total amount of the fund would be capped at 2% of total gross fixed asset cost less land cost on the balance sheet at June 30 of each fiscal year.

These funds will be segregated and accounted for separately as Capital Maintenance within the operating fund of the church.

- b. **Restricted contributions** – Contributions specifically restricted by the donor for the Capital Maintenance Fund will be segregated and accounted for as a restricted asset of the church.

Funds may be transferred to other church funds in accordance with the Executive Limitations included in Board policy. These funds will be budgeted and expended by the Executive in accordance with Board policy (current policy requires two informal quotes required for expenditures from \$2,500 - \$4,999.99 and two competitive bids or sole source justification for expenditures over \$5,000) and reported in the financial statements of the church.