Birmingham Education Foundation

Board Policy re: Unrestricted Fund Equity Usage

Unanimously approved at BEF Board Meeting May 19, 2014

The Birmingham Education Foundation (BEF) will annually determine the amount of fund equity required to maintain sufficient cash balances in its bank accounts to operate the foundation for normal operations.

It is recognized that during a short term budgeting cycle, the foundation may be required to adjust to factors outside its control that could cause a shortfall in receipts. To avoid a wholesale adverse response to these factors, the Board will approve utilization of fund equity to cushion the effect on the long-term budget process. It is recommended that the foundation limit the annual deficit to the smallest of (a) 10 percent (10%) of the anticipated level of expenditures or (b) 25 percent (25%) of the unrestricted fund equity, whichever is smaller.