

Operating Reserve Policy AEG Foundation

I. Purpose

The purpose of the Operating Reserve Policy of the AEG Foundation (the “Foundation” or the “organization”) is to help ensure its long-term ability to meet its mission goals. The Foundation will maintain the Operating Reserve to achieve the following *Objectives*.

1. To manage cash flow and maintain financial flexibility
2. To enable the organization to meet unanticipated expenses
3. To disburse funds to pay for grants, awards, honoraria and operating expenses

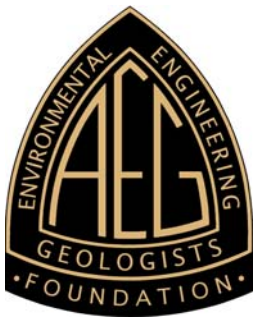
II. Definitions and Goals

Target Minimum Amount

The minimum amount to be designated for the Operating Reserve will be established as an amount sufficient to maintain ongoing operations and programs for a set period of time. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The total Operating Reserve Fund need for a fiscal year is established by the budget for that year. The target initial minimum Operating Reserve for each quarter of the fiscal year is established by the Treasurer and communicated to the Investment Manager and the Board of Directors.

The calculation of rolling monthly, quarterly, and annual operating expenses includes all recurring, predictable expenses such as contract operating manager fees, travel, program and other ongoing costs.

To establish the Operating Reserve, the AEG Foundation Board of Directors has designated \$25,000 of existing accumulated liquid unrestricted net assets as the beginning balance of the fund, effective January 1, 2020.



Operating Reserve Policy AEG Foundation

The amount of the Operating Reserve Fund target minimum will be calculated each year as part of the annual budgeting process. This amount should include a rolling 4-month average of budgeted expenses. This amount will be reported to the Board of Director at or before its January meeting/teleconference.

Adopted at the Meeting of the Board of Directors of the AEG Foundation held on December 13, 2021.



A handwritten signature in blue ink, appearing to read 'Rosalind Munro'.

Rosalind Munro,
AEGF Secretary