

What are Adequate Nonprofit Reserves for Financial Stability? – “It Depends”

A White Paper by the Nonprofit Operating Reserves Workgroup

Nonprofit Operating Reserves Initiative Whitepaper DRAFT¹ – October 29, 2008

See Table C for list of members of the Nonprofit Operating Reserves Workgroup².

A top priority for nonprofit leaders needs to be maintaining operating reserves at levels adequate for achieving financial stability. While this may seem obvious, preliminary research indicates that many organizations neglect to put aside funds that will help them preserve their capacity to deliver on their missions in the event of unforeseen financial shortages. A natural disaster that increases operating expenses, loss of a long-term sponsor’s revenue stream, or unexpected decrease in gifts from individual donors can put an organization without adequate operating reserves at risk. Some nonprofits have negative reserves and are already at risk.

Briefly, operating reserves are the portion of “unrestricted net assets” that nonprofit boards maintain or designate for use in emergencies to sustain financial operations in the unanticipated event of significant unbudgeted increases in operating expenses and/or losses in operating revenues.

“Unrestricted net assets” is a required line item in the balance sheets of financial statements prepared in accordance with generally accepted accounting principles (GAAP) and IRS Forms 990 (line 67) of not-for-profit organizations. [See “Operating Reserve Ratio” On page 2]

The amount of accumulated “unrestricted net assets” is increased or decreased as the result of annual operating surpluses or deficits. Nonprofits pursue financial stability by budgeting for – and then actually achieving reasonable, modest surpluses year after year until they have met their operating reserves objectives.

Two Inter-Related Questions Nonprofits Can Ask Themselves to Facilitate Their Internal Discussions of Adequate Operating Reserves for Financial Stability:

What does it mean to be financially stable? – And – What constitutes an adequate operating reserve?

According to Richard Larkin, CPA, National Technical Director of Not-for-Profit Accounting and Auditing, BDO Seidman, LLP, the answer is, “It depends.” Mr. Larkin goes on to say, “It is best to start by saying that based on the literature available there is simply no single correct solution for all organizations. Despite the importance of the issue there exists no agreed upon industry benchmark. To complicate matters

¹ See Nonprofit Operating Reserves Workgroup papers at:

http://www.nccs2.org/wiki/index.php?title=Nonprofit_Reserves_Workgroup.

² The views, recommendations and suggestions expressed in this white paper are those of the Nonprofit Operating Reserves Workgroup and have been established by the Workgroup on a consensus basis. Some Workgroup members may disagree on some points. Nonprofit Operating Reserves Workgroup members represent themselves and not their affiliations. This white paper is not a research-based paper of the Center on Nonprofits and Philanthropy at The Urban Institute, which serves as secretariat for the Workgroup. The Urban Institute is planning to conduct a nonprofit reserves research project, which may have findings and reach conclusions that differ with views presented in this white paper.

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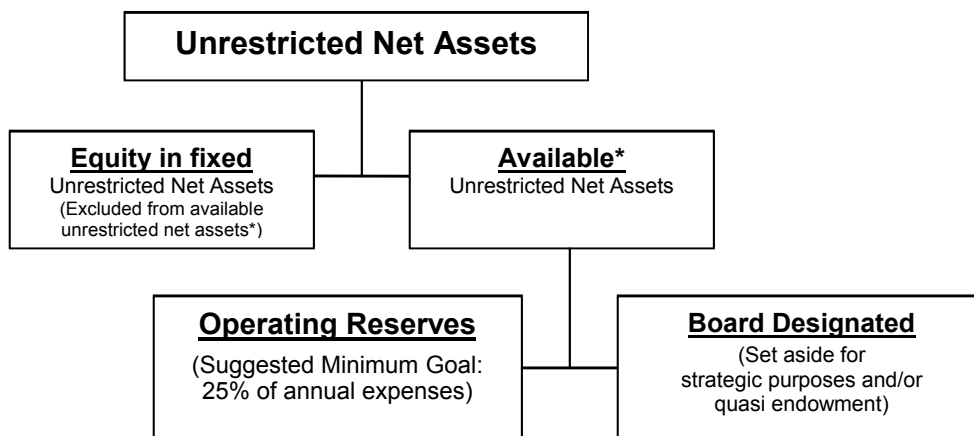
further, such benchmarks as are commonly used must be viewed in the context of the particular organization to which they are being applied.”³

In spring 2008, a Nonprofit Operating Reserves Workgroup⁴ comprising experienced individuals representing multiple facets of the nonprofit sector came together intent on defining an “Operating Reserve Ratio” and using it to establish a benchmark for financial stability to help nonprofit leaders. While the Nonprofit Operating Reserves Workgroup reached consensus on definitions for operating reserves and the “Operating Reserves Ratio,” the Workgroup reached the same conclusion on what constitutes an adequate operating reserve as Larkin: the answer is...“it depends”. There is no one size fits all ratio or benchmark. The thought provoking exercise, however, resulted in some insightful conclusions and recommendations that are worth sharing.

OPERATING RESERVE RATIO

The Nonprofit Operating Reserves Workgroup recommends that nonprofit boards establish a minimum Operating Reserves Ratio policy. An organization’s Operating Reserve Ratio can be calculated in terms of a percentage (operating reserves divided by the annual expense budget) or number of months (operating reserves divided by the average monthly expense budget). The minimum operating reserve ratio at the lowest point during the year suggested by the Workgroup, is 25 percent or 3 months of the annual expense budget.

Figure 1 -- Suggested balance sheet net asset terms presented in an illustration that all nonprofit CEOs and boards need to understand



* Available unrestricted net assets could also exclude the equity in other non-current, non-liquid net assets such as long-term receivables, inventory, prepaid expenses and deposits held by others.

³ Determining Appropriate Levels of Reserves, Richard Larkin, CPA, National Technical Director of Not-for-Profit Accounting and Auditing, BDO Seidman, LLP, Bethesda Maryland. This paper can be found at http://www.nccs2.org/wiki/index.php?title=Nonprofit_Reserves_Workgroup.

⁴ See Table C for List of Nonprofit Operating Reserves Workgroup Members

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The classification of unrestricted net assets in the balance sheet, as depicted in Figure 1, is critical to developing a clear and accurate snapshot of an organization’s financial position.

“Available unrestricted net assets” are the portion of total unrestricted net assets that are available for use. A simple definition for “available unrestricted net assets” is unrestricted net assets less the equity in fixed assets – i.e., fixed assets net of related long-term debt. A more conservative definition of “available unrestricted net assets” is footnoted in Figure 1. Each organization needs to determine if the simple definition can be used reliably for measuring Operating Reserves or if it needs to use a more conservative definition.

“Operating Reserves” are that portion of “available unrestricted net assets” that an organization’s board maintains and/or has formally designated, or “reserved” for use in emergencies to sustain financial operations in the unanticipated event of significant unbudgeted increases in operating expenses and/or losses in operating revenues.

The adequacy of operating reserves beyond the minimum is variable and depends on a number of factors such as the reliability of operating revenues, impact of economic conditions, CEO retention or the need to move to new office space, for example⁵.

IRS FORM 990 IS ILLUSTRATIVE

The Workgroup concluded that the Form 990 provides a good tool for illustrating the content of the Operating Reserve Ratio. Using the 2007 Form 990, Operating Reserves consist of Line 67 (Unrestricted net assets) less fixed assets net of debt. Fixed assets net of debt equals Lines 55 and 57 (Land, buildings, and equipment -- i.e., fixed assets) minus Lines 64b (Mortgages and other notes payable). Annual expenses consist of Line 44 (Total functional expenses) less Line 42 (Depreciation) in Column A.⁶

NEARLY 50% HAVE LESS THAN THE MINIMUM

Preliminary research indicates that a large portion of nonprofits may not have sufficient reserves to weather unexpected setbacks. For example, according to analysis of IRS Form 990 data (2003), 1,516 or nearly fifty percent of 3,154 nonprofits located in Washington, D.C. had year-end operating reserve ratios below the suggested minimum of 25 percent or less than 3 months of their annual expense budget. In fact, 996 nonprofits (32%) had reserve ratios of zero to 25 percent while 620 nonprofits (16%) actually had negative reserve ratios.

⁵ See Table A - “It Depends – Factors to Be Considered in Deciding What Amount of Reserves an Organization Will Plan to Maintain.”

⁶ The link to the 2007 IRS Form 990 is <http://www.irs.gov/pub/irs-pdf/f990.pdf>.

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IMPACT OF NEGATIVE OPERATING RESERVE RATIOS

When the Operating Reserve Ratio is negative, the organization can be experiencing a serious, disruptive financial crisis. For example, it may be having difficulty meeting payrolls, and/or may be seriously behind in paying its bills. It is likely operating hand-to-mouth -- disbursing funds as soon as they are deposited. The staff and members of the board can be devoting a disproportional amount of time on day-to-day financial management, resulting in a reduction in the delivery of program services. In some cases, staff may be asked to forego all or portions of their salaries. And, some staff members may leave for a more stable environment or may be subject to furloughs or layoffs. Internal controls may be ignored with less staff to do more work. .

Organizations with significant temporarily or permanently restricted net assets may be borrowing from those funds to cover deficits in unrestricted net assets available for operations. This is a very serious financial management problem since it violates the organization's fiduciary responsibility to assure that restricted funds are used only for purposes designated by the donors.

DESIGNED FOR INTERNAL MANAGEMENT, NOT OUTSIDE WATCHDOG GROUPS

Precisely because “it depends,” the Nonprofit Operating Reserves Workgroup adamantly maintains that any recommendations and/or guidelines outlined here are for the purpose of helping staff and boards better address the need for planning for, and measuring financial stability for their particular organization. Using “it depends” as the underlying theme for this Whitepaper is expected to put to rest any thought of using the Operating Reserve Ratio to measure the “worthiness” of a nonprofit organization.

APPLICABILITY

The Nonprofit Operating Reserves Workgroup believes this discussion is of value for all tax exempt organizations. Whether the annual budget is \$100,000 or \$10 million, committing to and holding an adequate reserve is an important, prudent business practice.

ESTABLISH A POLICY

Precisely because “it depends,” the Nonprofit Operating Reserves Workgroup concluded that it would be appropriate for every nonprofit organization to have a written Reserve Policy that defines its own “adequate” *operating reserve* level, defines how its *operating reserves* are calculated and provides the rationale that led staff and Board to this conclusion. In general, for calculating the Operating Reserve Ratio, the Workgroup is strongly biased toward the simplest and most widely applicable formula. [See “Operating Reserve Ratio” on page 2.] The group also felt that *operating reserves* in an amount determined by an organization's board to be “adequate” should be accumulated in advance of other board designated funds.

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[On page 1 or 2, insert this as a sidebar panel listing stakeholders (e.g., boards, grant makers) and the **action** the Workgroup recommends that stakeholders take.]

The stakeholders that can help nonprofits maintain adequate Operating Reserves for financial stability and establish Special Purpose Funds for optimal mission accomplishment include:

1. CEOs, CFOs and boards of nonprofit organizations
2. Grant making community such as program officers of foundations, regional associations of grant makers and government agencies.
3. Associations of nonprofits and umbrella groups – geographic and subsector.
4. Accountants such as individual CFOs and CPAs, CFO groups and CPA societies
5. Management support organizations
6. Academic centers with nonprofit programs
7. Financial institutions serving the nonprofit sector
8. Other members of the community, especially the beneficiaries, who suffer when nonprofits have to curtail services because they do not have adequate reserves to carry them through an unanticipated decline in revenue or increase in expenses.

What can these groups do?

All 8 groups can encourage nonprofits, first, to establish comprehensive written Reserves Policies for maintaining adequate operating reserves for financial stability and generating special purpose funds for optimal mission accomplishment and, second, to employ budgeting and accounting procedures that implement their Reserves Policy – effectively.

In addition, board members, CEO’s or CFO’s of nonprofits (i.e., group #1) can ask for and receive reports at least quarterly on amounts in Operating Reserves and Special Purpose Funds.

In addition, resource providers (i.e., group #2 above) can permit and even encourage their grantees to include surpluses for building reserves in the administrative portion of their grant budgets.

FORMULATING THE POLICY

Even the smallest nonprofit organizations could establish at least a simple reserve policy with the overarching purpose being to build and maintain a certain level of positive unrestricted net assets that can a) accommodate day-to-day fluctuations in normal cash flow requirements and b) accommodate unusual and/or unforeseen emergency cash requirements.

Key steps for any organization in formulating the policy.

1. Establish a minimum level for an adequate operating reserve ratio at the lowest point during the year (The Nonprofit Operating Reserves Workgroup suggests 25% of the annual operating expense budget as a starting point).
2. Define how the operating reserve ratio will be calculated [e.g., the formula above (also see “Operating Reserve Ratio,” page 2) or a different formula designed to meet the organization’s specific operating reserve needs].
3. Define how reserves will be invested as part of the overall Investment Policy Statement.
4. Define frequency of measuring and reporting on operating reserves⁷. (As a minimum, the Nonprofit Operating Reserves Workgroup recommends a monthly report to the CEO and a quarterly reporting system to the board’s finance committee).
5. Define methods by which the operating reserve will be replenished if it is used, or for any reason drops below the policy-mandated minimum threshold at any point during the year. One example would be to establish a surplus budget in order to replace the lost revenue. For organizations with additional, non-operating Board Designated funds, the recommended policy would be to re-designate portions of those Board Designated special purpose funds as needed to replace lost value of operating reserves.

The Nonprofit Operating Reserves Workgroup concluded and suggests that while not widely considered to be a Board Designated fund, the action of establishing a policy to maintain an operating reserve effectively makes this the de facto first level of Board Designated funds. When viewed in this context, it holds the top priority in the hierarchy of Board Designated funds and reinforces the importance of maintaining a minimum operating reserve as measure of financial stability. The Workgroup suggests that a 25% ratio of operating reserves to the annual expense budget or 3 months operating expenses be considered a baseline for discussion when formulating a reserve policy.

⁷ A board may find it useful for internal accounting and reporting during the year to divide Operating Reserves into two unrestricted net asset accounts: “Board Designated Operating Reserves” and “Operating Funds.” The “Board Designated Operating Reserves” account would show the portion of Operating Reserves that the board has designated for use in unusual or unforeseen financial emergencies. This net asset account could serve as an internal line of credit with board specified terms of use and replenishment. The “Operating Funds” net asset account would show the remaining portion of “Operating Reserves” and would fluctuate up or down according to day-to-day changes in normal cash flow activity.

“IT DEPENDS” FACTORS

There are numerous “it depends” factors that make it impossible to construct a standard, one size fits all formula for what is the correct or adequate level of operating reserves for all organizations. In general, there is a continuum of variables that might influence what defines the appropriate operating reserves level for any given organization. The extent to which an organization finds itself more or less subject to the variables will influence how far above the 25% baseline the adequate or appropriate reserve level is set. Some of these variables are outlined in detail in Table A – “It Depends – Factors to Be Considered in Deciding What Amount of Reserves an Organization Will Plan to Maintain.”

BEYOND OPERATING RESERVES – FOR PROGRAM DEVELOPMENT

The Nonprofit Operating Reserves Workgroup suggests that adequate operating reserves are the basis for financial stability. However, for organizations that have a written policy and have successfully met the policy parameters for their Operating Reserve, establishing and budgeting surpluses needed for additional Board Designated special purpose funds and/or Quasi-Endowments are logical next steps to allow for planned, strategic program development that might include new programs, capital purchases, staff expansion, for example. By design this higher level of financial flexibility allows the organization to enhance quality, introduce new program elements and grow without compromising or jeopardizing core program delivery to existing constituents and stakeholders.

“NONPROFIT” DOESN’T MEAN YOU CAN’T MAKE A “PROFIT” – I.E., HAVE A SURPLUS

The most financially stable nonprofits are being proactive in building reserves, but as evidenced by the snapshot of DC nonprofits there are still many nonprofits living dangerously close to the bone. The staff and boards of nonprofits, as well as their funders, need to understand and agree not only that it is ok to save money and build a reserve, but that it is a critical necessity for long-term sustainability. For nonprofits struggling but striving to reach a certain Operating Reserve threshold, the Nonprofit Operating Reserves Workgroup advocates specifically budgeting for it as a disciplined approach to achieving the goal. In some cases this may also require a rigorous evaluation of the organization’s current operating model that has led to the chronic shortfalls.

1. When an organization operates within a balanced budget that includes a modest surplus (e.g., 5%), operating revenues for the year will exceed operating expenses, with the result that the available unrestricted net assets would be increased at the end of each year. An organization with no reserves at all could thus plan to build its operating reserve ratio to the minimum 25% target over 5 to 6 years of modest surpluses.
2. The need for an operating reserve is clear: Without a reserve, the organization can be thrown into cash flow stress and become distracted from good long-term decision-making or forced to make expensive short-term crisis-based decisions, or worse; it may not have the resources to continue delivery of its programs.

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Over time, based on its existing available Operating Reserves and the percent of budget surplus added, the organization will have used its “profits” to prudently build the Operating Reserve to the level established in the organization’s policy as adequate or optimal.

FINANCIAL STABILITY – IT’S EVERYONES RESPONSIBILITY

After many hours of discussion and numerous iterations of this Whitepaper the Nonprofit Operating Reserves Workgroup conclusions are simple.

1. Nonprofit organizations will be better managed and more financially stable if they have a policy defining an Operating Reserve Ratio level appropriate for the specific conditions in which that particular organization operates, with full support of the Board, CEO, CFO and other senior leadership.
2. Because “it depends” on numerous variables, which are best known and applied to the decision by the organization itself, the best policy will be defined by the organization rather than by adhering to some arbitrary benchmark imposed by outsiders.
3. By taking this conscious and proactive approach to setting its own financial goals, the staff and board take responsibility for the financial stability of the organization.
4. It is important that institutional funders, individual donors, and other community leaders understand the need for small and midsized nonprofit organizations to build and sensibly use their unrestricted net assets to create an operating reserve that achieves financial sustainability.

CALL TO ACTION

The preliminary facts tell us that nearly 50% of nonprofit organizations in the DC metropolitan area have less than 25% of operating reserves. As a result of these preliminary findings the Urban Institute is planning to do a more indepth study of the data. This research project will help better define and quantify the state of financial stability among area nonprofits. And, while that information will prove extremely valuable, you as a board member, a CFO, a donor, a funder or any other nonprofit stakeholder need not wait to take action. If you know of an organization that appears to be struggling to achieve this objective, share this information with key leadership. If your organization doesn’t have a policy, establish one. If your organization has a policy but has not reviewed it in the last three years, pull it out and evaluate it.

There is no one size fits all solution, but there is a solution that is right for every organization if the key stakeholders take the time and effort to understand and define what is best for your situation. The region depends so much on nonprofits to deliver myriad services to valued citizens of our community. And, achieving financial stability is a critical component of your mission sustainability. Take the necessary steps to be financially stable so that our community can continue to benefit from your mission.

More information on nonprofit reserves can be found at:

http://www.nccs2.org/wiki/index.php?title=Nonprofit_Reserves_Workgroup

Workgroup organizers can be reached at QRLevis@aol.com and James_Schmutz@ml.com

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[SIDEBAR] Table A – It Depends – Factors to Be Considered in Deciding What Amount of Reserves an Organization Will Plan to Maintain by Richard F. Larkin, C.P.A., BDO Seidman, LLP, with Nonprofit Reserves Workgroup

- Every organization should plan for its reserves. Consider how the factors below might affect you. Your board, with advice of management, should adopt a formal policy for the reserve level it wishes to maintain, and review that policy regularly. Of course you cannot just make reserves appear on command; it may take an extended period to accumulate the desired level.
- Following is a list of factors to be considered by nonprofit organizations in making that decision. In many cases, no one of these factors will be determinative by itself; all applicable factors should be considered together.

Factors whose presence would indicate that the organization probably should try to maintain a higher* level of reserves	Factors whose presence would indicate that the organization can likely get along with a lower* level of reserves
<p><u>Operating funds [for financial sustainability]</u> The main sources of expendable revenue may be subject to large unexpected negative fluctuations.¹</p>	<p>Our main sources of revenue are generally not subject to large unexpected negative fluctuations.</p>
<p>The nature of our activities is such that there is a high risk of there being significant unpredictable demands on our resources.²</p>	<p>It is less likely that significant unexpected demands on our resources will occur.</p>
<p>Our regular day-to-day fluctuations in income and expenses are significant.³</p>	<p>Our regular day-to-day fluctuations are relatively minor.</p>
<p>Our governing board takes a longer-term view of provision of services and its attitude is to be very sure there are always resources available.</p>	<p>The governing board believes it is of overriding importance that every possible resource is used in the provision of current program services.</p>
<p>Our governing board’s approach to planning and budgeting is a conservative and prudent one. While the organization may never have faced an event requiring the extended use of our reserves, the board considers this a fundamentally sound financial management practice.</p>	<p>The governing board is generally willing to live ‘day-to-day’ and trust that resources will be available when needed. The board believes it is of overriding importance that every possible resource is used in the provision of current program services.</p>
<p>Our planning and budgeting processes have historically proved to be less accurate in forecasting financial results.⁴</p>	<p>Our planning and budgeting processes have historically proved to be fairly accurate in forecasting financial results.</p>
<p>Adequate backup sources of resources are not in sight.</p>	<p>We are confident that adequate backup sources of resources are likely to be available in a pinch.⁵</p>
<p>The board is not trying to expand the organization.</p>	<p>The board is trying to aggressively expand the organization and available resources are to be used for expansion, including portions of its operating reserves⁶</p>

* - No attempt is made here to quantify ‘higher’ and ‘lower.’ That has to be done individually by each organization, considering all its circumstances. A reserve level that would be considered high for one organization may be completely inadequate for another.

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Factors whose presence would indicate that the organization probably should try to maintain a higher* level of reserves	Factors whose presence would indicate that the organization can likely get along with a lower* level of reserves
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Board-designated funds [for optimal mission accomplishment]</p> </div> <p>The nature of our activities is such that there is a high likelihood that unexpected opportunities will come our way, requiring additional (available) resources to take advantage of these opportunities.⁷</p>	<p>The nature of our activities is such it is not very likely that such opportunities will come our way requiring additional (available) resources.</p>
<p>There is a sense that a change in organizational direction may be considered desirable in the not-so-distant future.⁸</p>	<p>There is no change in organizational direction anticipated any time soon.</p>

Notes:

1. Examples might include: ‘September 11th’-type events that affect your charitable giving and fee income; natural disasters such as earthquakes, floods and hurricanes; a blizzard the day of your big annual gala fundraiser; general poor economic conditions or rising costs; organizational problems such as volunteer and staff misdeeds or lawsuits generating unfavorable publicity which turns away customers and donors; overly-optimistic budgeting of anticipated revenue (very common); dependency on one donor for 10% or more of the annual budget; short-term or non-renewable agreements such as some cause-related marketing contracts and corporate sponsorships; many other reasons.
2. Examples might again include: September 11th – if you are the Red Cross of New York; every day – if you are the Red Cross of Los Angeles; the same blizzard - which causes your roof to collapse; the organization’s labor union gains a major wage increase.
3. Payrolls have to be paid every payday. The electric company is likely to want cash, not a promise, to keep the power flowing. But income often comes in spurts, especially contributions. Also there may be seasonal factors. For example, many contributions probably arrive in December as donors do personal tax planning. Colleges collect tuition at the beginning of each semester, and then have to live off it until next semester. Orchestras sell season tickets in the spring to pay for concerts to be put on over the following winter. On the other side, utility costs are probably higher in the winter and summer (heating and air conditioning), but lower in between. Expenses of our annual conference will be bunched around the time of the conference.
4. For example, you have had numerous instances of situations such as cost overruns, or, ‘The project that everyone thought would succeed, didn’t.’ ‘The foundation grant that you thought was in the bag, wasn’t.’ ‘The big fundraising event failed to meet expectations.’
5. This is your Plan B. For nonprofits this can be some combination of: cash on hand, investments and surplus assets that can be sold, a bank line-of-credit, a foundation or other institutional funder that you know would help if asked, some individual donors who could be counted on if the going gets really rough, a plan to cut expenses to a bare bones level for a while. If an organization uses this to justify not establishing a reserve, they should define in writing this “Plan B” which names sources (to include: held assets, organizations and individuals) from which funds would come.
6. For example, the organization could be new and trying to reach a sustainable size or have a special opportunity that warrants risking a portion of its operating reserves.
7. For example, recently an extremely rare major dinosaur fossil became available at public auction. Museums knew that it would sell for a high price, and it did. If your museum wanted this for its collection, it had to have resources available to cover the cost.
8. A long-standing program just isn’t what’s best any more. Community needs have shifted. Resources will be required to phase out the old and bring in the new. The parallel here is to seed capital in a business.

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[SIDEBAR] Table B – Glossary of Terms Used in This White Paper

[UNDER DEVELOPMENT, when complete, Table B will be inserted in the web version of this White Paper at:
http://www.nccs2.org/wiki/index.php?title=Nonprofit_Reserves_Workgroup]

Identify definitions in authoritative accounting literature (*), include references to that literature and include alternative terms with similar meaning. (*) E.G., Form 990 instructions, FASB and AICPA publications and “Blackbook” *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations*.

One-size-fits-all standards for what it means to be financially stable are not feasible. However, common terminology and definitions are provided here so that there can be a consistent way of talking about nonprofit financial stability, operating reserves and reserve policies.

Reserve policy

Financial stability

Operating reserves

Annual operating expenses (line 44 minus line 42)

Annual operating expense budget

Operating reserves ratio [operating reserves divided by annual operating expenses (or budget)]

Annual operating surpluses or deficits

Net assets (line 73) [hierarchy]

Unrestricted net assets (line 67)

Fixed unrestricted net assets (lines 55 + 57 minus 64b)

Available unrestricted net assets (line 67 minus (55 + 57 minus 64b))

Operating reserves

Board designated operating reserves

Operating funds

Board designated special purpose funds

Board designated (quasi) endowment funds

Temporarily restricted net assets (line 68)

Permanently restricted net assets (line 69)

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[SIDEBAR] Table C – Nonprofit Operating Reserve Initiative Workgroup [as of 8-7-08]

Nonprofit Operating Reserves Workgroup members represent themselves and not their affiliations. Positions on recommendations and issues are established on a consensus basis; some members may disagree on some points. Workgroup members are encouraged to invite others to join. The Center on Nonprofits and Philanthropy at The Urban Institute serves as secretariat for the Workgroup.

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(*) Jim Schmutz, Merrill Lynch [Co-host meeting]

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Brian Williams, Step Afrika!

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