

	<p>APPROVED</p> <p><b>RESTRICTED NET ASSETS POLICY</b></p>	POLICY NO.	14
		EFFECTIVE DATE	January 10, 2024
		REVISION DATE	

## BVPA MISSION

Our mission is to develop pickleball as a sport for all in the Bow Valley by promoting the health, physical and social well-being of its members through offering organized recreational and competitive play in an atmosphere of collegiality and sportsmanship.

## PURPOSE

The purpose of the Restricted Net Assets Policy for BVPA is twofold:

- (a) With respect to Internally Restricted Net Assets, to ensure the stability of the mission, programs, and ongoing operations of the organization. It is intended to provide an internal source of funds to cushion against unexpected events, losses of income, or large unbudgeted expenses.
- (b) With respect to Externally Restricted Net Assets, to ensure funds received for specific purposes (example, court construction or enhancement) are segregated and only used for their specified purpose.

## UNRESTRICTED NET ASSETS

The Unrestricted Net Assets are not restricted in their use.

## ACCOUNTING

The Internally Restricted Net Assets will be recorded in the financial records as such. The fund will be funded and available in cash or cash equivalent funds.

The Externally Restricted Net Assets will be recorded in the financial records as such. The fund will be funded and available in cash or cash equivalent funds.

The Restricted Net Assets may be maintained in a segregated bank account or short-term interest bearing investment that has no risk of capital impairment.

## FUNDING

Transfers into the Internally Restricted Net Assets will be reviewed and authorized annually by the Board with the target being 50% of that year's excess revenue over expenses, excluding amounts

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included in that figure that apply to Externally Restricted Net Assets. This calculation will be done on an accrual basis using generally accepted accounting principles.

Transfers into the Externally Restricted Net Assets will be reviewed and authorized annually by the Board in accordance with the donor’s wishes and/or BVPA communications to such donors as to the purposes of the fundraising.

### USE OF RESTRICTED NET ASSETS

The use of the Restricted Net Assets requires:

1. Identification of Appropriate Use of Restricted Net Assets

The Treasurer will identify the need for access to Restricted Net Assets and confirm that the use is consistent with the purpose of those as described in this Policy.

2. Authority To Use Restricted Net Assets

The proposed use of the Restricted Net Assets will be reported to the Board of Directors, accompanied by a description of the recommended use of funds. Board approval must be received.

3. Reporting and Monitoring

The Treasurer is responsible for ensuring that the Restricted Net Assets are used only as described in this Policy.

### Revision History

Date	Rev. No.	Change

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## References

Bow Valley Pickleball Association Bylaws