



# NANOG™

## Financial Reserve Policy v1 1/15/2021

**Purpose:** The purpose of this policy is to define a number of internal financial reserve controls to be applied to the day to day accounting practices of NANOG. This document further establishes policies and procedures to assure that the NANOG assets are managed properly, with respect to operating reserves and investments, thus ensuring the educational mission of NANOG is carried out.

**Introduction:** This policy is in support of the [Internal Financial Controls Policy](#) and applies to the operating reserve and investment standards to be applied to the day to day accounting and finance operations of NANOG.

**Reporting:** As part of the Annual Audit process, the NANOG Board of Directors will report summary financial data to the NANOG Membership.

**Minimum Operating Reserve Amount:** NANOG accounting tracks revenues and expenditures against budget, reporting both in a standardized progress report to the NANOG Board on a monthly basis. The NANOG organization's daily liquidity (combined checking and savings accounts) should be one year's worth of operational overhead (currently \$1,200,000).

The Minimum Operating Reserve, together with our investments, should be enough to cover three years of operation and contractual liabilities (currently \$5,000,000). This amount is sufficient to protect NANOG from major downturns in the economy by covering:

- Contractual hotel obligations normally booked 3 years in advance.
- Any paid in advance sponsorship liabilities.
- Operational overhead for the corresponding period of the hotel contracts.

The NANOG Board of Directors will review this policy at least once a year.

HISTORY OF REVIEW/REVISIONS

Date	Version	Action	Description	Approved By
1/15/2021	v1	Revision	Name change to NANOG, clarification of what is included in reserve	Board of Directors