

## **EUROPARC Federation -Reserves Policy**

In 2010 the Council approved the following policy, (Pescacerrolli, Sept 2010) which was subsequently presented to the general assembly, regarding the maintenance of EUROPARC reserves in the Sparkasse bank account.

*Restricted reserves should be built up in the next 5 years to cover operational costs for at least 6 months.*

*For the use of the reserves to cover losses and cash flow problems decisions can be taken as follows:*

- *Up to 10.000 Euro: The Director can withdraw the amount to cover cash flow problems, but has to put it back in when the cash flow problem is solved. The President should be informed*
- *Up to 20.000 Euro: The Director needs the President's approval to withdraw amounts*
- *Above 20.000 Euro: The Council has to authorize the withdrawal from the account.*

*The amounts are considered per year.*

*Action plan to be developed by Directorate to build up: 180.-210.000 Euro by 2015 as restricted reserves.*

*Council to annually analyze the progress in building up the reserve of 180-210.000 Euro as a target for 2015 as restricted reserves and adjust the target according to the financial situation of the Federation (the situation of unrestricted funds)*

Given the dramatic downturn in the financial situation in Europe and increasing uncertainty in the collection of membership fees, no action plan to build up reserves has been drafted, and no increase in reserves had taken place since this decisions was taken. Indeed reserves have indeed dropped by almost 30% since 2010 Current (Jan 2014), actual EUROPARC cash reserve stands at 103, 000 Euros from 160,000 in 2010.

In every year since the creation of the policy, monies have been withdrawn from the reserves but replaced as income is received.

The achievement of a substantial increase in the reserves seems unlikely, and the Director would seek a review of this policy by the council. I would suggest this is matter for the finance sub group to consider.

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Director  
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