



Reserve Fund Proposal

Cash Reserve Policy: Visit Bend will maintain two separate reserve funds as outlined below.

1. A **Wind Down** reserve fund consisting of restricted cash reserve fund in a money market account equal to an estimate of three months of operating costs. In the event that Visit Bend is dissolved, the Board of Directors, may approve accessing cash reserve funds to finance a three month phase-out of Visit Bend operations. Currently this cash reserve is set at **\$100,000**.
2. A second reserve fund that is to be used for:
 - a. **Unbudgeted marketing or operational opportunities:** The Board reserves the right to approve accessing cash reserve funds to participate in special unbudgeted marketing or operational opportunities.
 - b. **Unbudgeted capital expenditures:** The Board reserves the right to approve accessing cash reserve funds to finance unbudgeted capital expenditures.

This cash reserve fund will be funded over several years until the balance reaches **\$750,000**.

Each year, as the annual Business Plan is prepared, the budget for the next fiscal year's transient room tax collections will be reviewed. When it is anticipated that the TRT collected will be a minimum 103% of the current year's budgeted amount, Visit Bend will allocate 5% of the upcoming fiscal year's overall budget to this reserve fund. This will be included in the Business Plan proposed to BEDAB and City Council.

Use of cash reserve funds requires a majority vote from the Board of Directors. In all instances, Board approval to spend cash reserve funds must be accompanied by a written plan and specific timeline to replace those funds within a time period and strategy deemed reasonable by a majority vote of the Board of Directors.

Visit Bend reserves the right to review and to make changes to the Reserve Fund policy on an annual basis, as long as policy changes are approved by a majority vote of the Board of Directors.