



down syndrome
association
of greater cincinnati

C E L E B R A T I N G 4 0 Y E A R S

DSAIA Cash Reserves Workshop



- Why cash reserves?
- Dual purposes of cash reserves
- How much you should have in cash reserves?
- How to build up cash reserves
- Banking tips?



Why is it a healthy business practice for nonprofits to build up a “rainy day fund” or cash reserves?

Dual Purposes of Cash Reserves

Sustainability during volatile times

- Cash fluctuations during the year
- Unexpected circumstances that arise

Opportunities for Strategic Investments

- New Hire
- New Program
- Capital Purchases

DSAGC Examples

- *Donor Relations Manager*
- *New Office*
- *40th Anniversary Celebrations & 321 Legacy Campaign*





If you had an extra \$100,000 to spend in 2021 that would help advance your mission, what would you spend it on?

DSAGC Aspirational Goals



- Begin the budget year with 50% of projected expenses in cash reserves.
- Also, begin the year with 100% of projected expenses in total assets across all of our accounts.



Budget Principles



- Be realistic and accurate with projected expenses, but build in some margins for unexpected expenses.
- Take a conservative approach to revenue projections from an accounting perspective.
- In terms of a marketing budget – don't be afraid to STRETCH yourself!

Banking Tips



Utilize Multiple Bank Accounts

- Operating - Checking
- Short-Term Savings or Money Market account: these need to be very liquid
- Investment or Reserves Account
- Quasi-Endowment





Questions & Comments

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