

Action Item – Operating Surplus Distribution

2,000,000	Starting Dollars
(292,720)	to JCP to "shore up" prior expenses
(70,000)	to JCP as a "reserve" (NEW)
(85,000)	to JFOM Surplus Roll Forward for 2024/2025 Operating Budget
(26,120)	to JFOM Agency Credits for 2024/2025 Operating Budget
(480,000)	to JFOM Operating Reserve (New Balance \$500,000)
1,046,160	Remainder Added to JFOM Endowment
906,985	Current Balance in JFOM Endowment
<u>\$1,953,145</u>	New Endowment Balance (Target: \$5,000,000)

Approved Policy. September 12, 2023

The goal of this policy is to ensure Jewish Foundation of Memphis can support and grow its operating budget over time. The finance committee will recommend annually the use of operating surplus from the PRIOR FY:

First - Surplus Roll Forward – Allow for a certain dollar amount to roll forward into next FY budget in order to fund capital expenses (e.g. new website, software, computers, etc.). Staff will present needs to the finance committee for review.

Then Credit Agency Participation Fees – Offer credits in incremental amounts based on the value of the Operating Surplus. (\$25,000 - \$35,000)

Then put aside funds toward Operating Reserve – Maintain an operating reserve equal to 50% of current operating budget, or \$500,000. Goal would be to fund this over a 5 – 7 year time period.

Then put additional dollars into the Operating Endowment – Grow Operating Endowment to \$5 million which would be sufficient to cover 20-25% of the current annual operating costs (\$225,000) and reduce spending policy to 4.5% of 3-year average balance.

Then Grant the funds to MJF Local Allocations committee to award to local Jewish organizations with the greatest need.

**Jewish Foundation of Memphis
Board of Directors Meeting
September 12, 2023
Action Item**

Foundation Operating Surplus Waterfall

Approved by Foundation Finance Task force on June 25, 2023

Approved by JFOM Board of Directors September 12, 2023

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