

Foundation Operating Surplus Waterfall
Proposed June 25, 2023

The goal of this policy is to ensure Jewish Foundation of Memphis is able to 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.