



**1.0 Purpose:** The purpose of the contingency fund is to set aside monies for the remediation of an event in which an invasive species of an aquatic nuisance, plant or animal, were to occur within the waters or shoreline of Echo Lake.

**2.0 Scope:** The monies contained within the contingency fund are for use in combatting the spread of an invasive species found within the confines of Echo Lake.

**3.0 Responsibility:** It is the responsibility of the Board of Directors (BOD) of the Echo Lake Protective Association (ELPA) to oversee the contingency fund. It is the responsibility of the Treasurer of ELPA to manage the fund on an annual basis.

**4.0 Establishment:**

- 4.1 The fund will be established by the Treasurer recommending an amount of funds to be taken from the ELPA savings account and placed into a special account that can maximize return while protecting principle and providing accessibility.
- 4.2 The Board of Directors will approve the recommended amount and investment vehicle.
- 4.3 The Treasurer will open the specified account.
- 4.4 The BOD will establish a target goal amount for the fund.

**5.0 Maintenance:**

- 5.1 On an annual basis, the Treasurer will suggest an amount of funds to be transferred from the savings account to the contingency fund.
- 5.2 The BOD will approve the suggested amount or modify as appropriate.
- 5.3 Each year the fund will be reviewed to determine if any changes need to be made, such as a change in investment strategy.
- 5.4 Although not encouraged, members and friends will be allowed to make directed donations to ELPA for addition to the contingency fund. The Treasurer will honor the donors' wishes unless such action jeopardizes the regular funds used for routine association expenses. In such case, the Treasurer, or other officer, will request of the donor that the donation be applied to the savings account for routine expenses.
- 5.5 The Treasurer will add all directed donations to the contingency fund according to the terms of the investment vehicle in which it is invested, which may impact the timing of adding monies to the fund.
- 5.6 The Treasurer will report on the status of contingency fund at the annual meeting of the ELPA membership and at regular Board meetings.

**6.0 Use:**

- 6.1 In the event of an invasion of an aquatic nuisance or other threat to the water quality of Echo Lake, the BOD will determine a course of action and how the action will be funded.



## ELPA Contingency Fund Guideline

Approved: 22 July 2017

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- 6.2 If the expenses associated with the determined course of action requires funds beyond the regular savings/checking accounts, the BOD will decide to utilize the monies within the contingency fund, as necessary.
- 6.3 While the intended purpose of the contingency fund is for remediation of an invasive species, the BOD will have the authority to elect to use monies from the fund for an action determined by the BOD to be necessary to protect the water quality of Echo Lake.
- 6.4 The Treasurer will access the required funds and transfer to the checking account to pay for the incurred expenses.
- 6.5 Upon approval of the BOD, monies within the contingency fund may be used for preventative expenses, such as the Greeter Access Program, if insufficient funds exist in the savings and checking accounts for these approved purposes.

### 7.0 Disposal:

- 7.1 Upon the decision of the BOD and/or the ELPA members, the contingency fund may be discontinued.
- 7.2 Any monies remaining in the fund will be transferred to the savings account.
- 7.3 Further action on disbursement of ELPA funds will be in accordance with the association By-laws.