

# Reserve Studies for Religious Institutions

## What is a Reserve Study?

Built from an on-site inspection of your facilities, a Reserve Study outlines a stable, equitable, and proactive Annual Funding Plan to offset your facility's long-term and often costly expenditures.

As the "Gold Standard" in the industry, Miller+Dodson provides Administrators, Committee Members and the Congregation with a long-term understanding of a community's common assets by identifying and accounting for these assets and providing a funding plan that meets the religious and educational institutions future expenses.

## Why should your institution conduct a reserve study?

- Protect your property value
- Increase fairness within member contributions
- Enhance & maintain your common areas
- Be financially prepared for scheduled expenses

## Key Points for Religious Institutions

Why should your religious institution establish and maintain a Replacement Reserve fund?

One of the primary business duties of any non-profit organization is to maintain and preserve the property's value by maintaining an aesthetic and functional standard. "A replacement reserve fund has a tremendous impact on a facility's future, regardless of age, size, or architectural type."\*

1. **Fulfill the ethical standards of financial stewardship for the facility.** The leadership has the obligation to maintain the facility in a manner that ensures the long-term generational transfer of the facility and its components. The systematic establishment of Reserve Funds can help in meeting this obligation.
2. **A Reserve Fund provides for the planned replacement of major common items.** Members expect their facility to fulfill its obligations to replace worn or obsolete items. This allows for the aesthetic and functional qualities of the facility to be maintained.
3. **Ensure the financial health of the facility.** Anticipating the financial needs of your facility allows for the allocation of proper replacement funding early in the life of the facility and facility's components.
4. **The institution's governing authority may recommend a Reserve Study.** In some cases the governing authority may encourage or recommend performing a Reserve Study for each of their facilities.
5. **Long-term financial forecasting for the replacement of capital assets** allows for the strategic planning of donation and funding drives, and reduces the need to find emergency funds by donation, loans, or other means.
6. **Reduce the burden and pressure on your biggest contributors.** As we all know, some are able to give more than others. And those who do give, often give even more when asked. Planning for the replacement of capital assets allows the funds to be allocated within the annual budget, and reduces the need to 'hit up' those who already give the most.