

RMGC Policies & Procedures

Policy #18 – Exceptional Reserve Fund

A. Introduction

The Emergency Fund Policy was approved as a Bye-Law at the AGM on 16th June 2005. It was set up originally because the RMGC was unable to get flood insurance.

Having established adequate flood damage insurance, a new fund called the Exceptional Reserve Fund (ERF) was established as Bye-Law #4 at the EGM on 24th September 2009 to replace the Emergency Fund with modified objects clauses, but otherwise unchanged.

The ERF was updated at the EGM on 5th December 2013 when the cap in Rule 5 was updated to reflect inflation after 5 years as represented by the index of inflation at 2009.

It was subsequently updated by the BOM on 21st November 2017 by increasing the amount deposited monthly as stated in Rule 4 and by increasing the cap as stated in Rule 3.

It was converted to a Policy at the EGM on 21st June 2018.

B. Management

The ERF shall be managed as follows:

- A. The BOM shall appoint three members of the BOM to form the Exceptional Reserve Fund Committee – ERFC that shall be entrusted with the management of the ERF. Unless otherwise decided from time to time, the members of the ERFC shall be the incumbent Chairman, Club Captain and Vice-Chairman of the BOM.
- B. The BOM shall fill any vacant position on the ERFC within one month of such vacancy.

C. Rules

1. The ERFC may invest the ERF in any manner it deems fit including split investments. All profits and interest earned from such investments shall remain in the ERF.
2. Each year commencing 2010, during the first month of the financial year, the BOM shall deposit the sum of €9317.50 in the ERF, increased to €10000 commencing in 2018. Larger or additional amounts may be deposited in the ERF depending on circumstances.
3. The ERF shall be capped when the sum of €74174 is reached. However, this sum shall be reviewed upward once every 5 years on the basis of the Index of Inflation published annually by the Government of Malta. The base for such increase shall be the index of inflation for the year 2014 which stood at 832.95 points. The cap was then increased to €80,000 from 2018 with an annual increase of 5% replacing the previous indexing with effect from 2019.
4. The ERF may be drawn upon following damages suffered by the club as a result of extraordinary events such as flooding or lightning strike, and then only in the event that the club is not covered by any of its insurance policies, or cannot afford to rectify the damage from current funds.

RMGC Policies & Procedures

5. The ERF may also be drawn upon for exceptional non-recurring capital or revenue expenditure which cannot be met from current funds.
6. Whenever the need arises to draw from the ERF, the BOM must first obtain the approval of RMGC Members at a General Meeting. A simple majority of those present shall suffice to authorise the withdrawal of funds.
7. The ERF may only be wound up with the approval of RMGC Members at a general meeting. A two thirds majority of those present shall be required for a winding up motion to be approved.

Last reviewed and updated by BOM on 21st November 2017