

RMGC Policies & Procedures

Policy #18: Exceptional Reserve Fund

A. Introduction

An 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 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 annually in 2017 in line with inflation.

This Bye-Law was then converted to a Policy at the EGM on 21st June 2018

B. Management

The ERF shall be managed by the BOM as follows:

1. The BOM 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. During the first month of the financial year, the BOM shall deposit the sum of €10,000 in the ERF. Larger or additional amounts may be deposited in the ERF depending on circumstances.
3. The ERF was capped at €80,000 in 2018 and will be increased by 5% annually thereafter.
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.
5. The ERF may be drawn upon for exceptional non-recurring capital or revenue expenditure which cannot be met from current funds.
6. The ERF may be drawn upon to replace significant loss of revenue arising from exceptional circumstances imposed by Government, such as closing Malta to visitors, which cannot be met from current funds.
7. 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.
8. 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 approved by BOM: 20th April 2021