

COMMISSION POLICY

POLICY #8.7

SUBJECT: Financial Policy for Emergency Reserves

DATE ADOPTED
February 19, 2008

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OBSOLETE VERSIONS (Can be found in the Inactive Policy Book.)
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NOTE: (CHARACTERISTICS OF A GOOD POLICY AND PROCEDURE DOCUMENT) -- A policy is typically a document that outlines specific requirements or rules that must be met. The overall goal is to write policies that are clear, concise and in simple language. If you use an acronym, spell it out the first time you use it.

POLICY STATEMENT

The County Commission will maintain emergency reserves in the General, Highway, and Solid Waste funds.

This policy is to establish parameters for maintaining emergency reserve accounts and how they can be expended. The target reserves for the three major funds are:

General Fund: 15.0% of the total none-grant revenue of the previous fiscal year
Highway Fund: 15.0% of the total none-grant revenue of the previous fiscal year
Solid Waste Fund: 7.5% of the total none-grant revenue of the previous fiscal year

PROCEDURAL REQUIREMENT

In order to carry out this policy, the following steps must be taken:

1. During the annual budget process, the Budget Director and Clerk/Treasurer will compute the needed transfer required to meet this requirement. The targeted annual transfers are as listed below:

General Fund: 2.0% of the total none-grant revenue of the previous fiscal year
Highway Fund: 2.0% of the total none-grant revenue of the previous fiscal year
Solid Waste Fund: 1.0% of the total none-grant revenue of the previous fiscal year

2. The reserve requirement will be presented to and discussed with the Commission during the annual budget workshops.
3. Based upon budget workshop discussions, the Budget Director will make a recommended reserve transfer a part of the County budget resolution.

4. The Commission will consider the reserve amount and approve the annual transfer as part of the budget resolution.
5. Funds from the Trust Reserve Accounts can only be expended for a bona fide emergency and must be approved by the County Commission during a regular or special meeting.
6. In the event that it becomes necessary to make expenditure from these reserve accounts:
 - A. The County Administrator or Clerk/Treasurer will develop an Agenda Item and clearly spell out the reason and justification for the proposed reserve expenditure.
 - B. At a regular or special meeting, the Commission will either approve or deny the request to spend reserve funds.