



POLICY TITLE: Financial Reserve
POLICY NUMBER: 2150

2150.1 **Purpose:** The Contra Costa Resource Conservation District shall maintain a reserve of unassigned funds as designated herein. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

1. Fund designated conservation projects/programs, fundraising expenses, or other special uses not otherwise funded by grants.
2. Replacement of computer hardware and software, vehicles, equipment and other items
3. Maintain minimal operational sustainability in periods of economic uncertainty, including cash flow problems.

2150.2 The District shall account for reserves as required by Governmental Accounting Standards Board Statement No. 54, which distinguishes reserves among these classes: non-spendable, restricted, committed, assigned and unassigned. However, at this time, the District only carries “Unassigned” Funds.

Currently, the District Reserves are all categorized as available “Unassigned” Funds (not obligated by law, contract or agreement), including tax receipts, donations, interest earned, fees for service or other non-grant earnings. All funds designated for a particular grant or program as designated by contract/agreement and/or the Board will be tracked separately by the accountant and accounted for in deferred revenue.

2150.2.1 “Unassigned” funds will be considered operational funds used to support:

- 1) Administrative operational functions, including staffing and administrative/office expenses;
- 2) facility operations;
- 3) replacement for capital improvements, technology, vehicles and similar amortized items.

2150.3 Monitoring Operational Fund Level: The Executive Director, in collaboration with the accountant, shall notify the Board of Directors when:

1. Cash balance falls below 15% of projected revenue or less than two months of operating expenses
2. Current updated annual budget cash flow projections show a negative cash balance for a month or longer within the next six months.
3. Cash Reserves exceed one year of operating expenses.