



Pliocene Ridge Community Services District
Policies & Procedures: FINANCES Policy 2010

RESERVE FUNDS

Definitions:

Contingency Fund Commonly referred to as a “Rainy Day Fund” the purpose of this fund is to cover budget short-falls and unexpected expenditures.

Streetlight Fund The purpose of this fund is to separate the Streetlight Revenues & Expenses from the Fire/EMS Operations of the District. The funds in this account are intended for streetlight related expenses in Alleghany & Forest City only.

Unallocated Funds Pike & Alleghany Fire Depts These funds are allocated to a specific fire department, but otherwise not tied to any specific purpose.

Vehicle Funds Pike & Alleghany Fire Depts Funds allocated for vehicle purchase and/or repairs and maintenance.

Building Maintenance Funds Pike & Alleghany Funds allocated for repairs and/or improvements to the firehouses.

POLICY

It is the policy of the District to set aside Reserve Funds on a regular basis to ensure financial stability and to facilitate long-term planning. Fund accounts are also used to allocate money for specific purposes, allocate funds based on income source or to ensure that contributions are retained for their original intended use to the full extent possible.

CONTINGENCY FUND: It is the Policy of the district to maintain funds sufficient to cover approximately 6 to 12 months of district operations in the contingency fund. The purpose of the contingency fund is to cover budget shortfalls and unexpected (emergency) expenses. Board action is required for contingency fund transfers.

VEHICLE AND BUILDING FUNDS: These funds shall be prioritized for Capital Expenditures but may be used for repairs and maintenance if deemed necessary by the board. For vehicle purchases, Vehicle Registration Fees shall be treated as part of the purchase price.

Net funds received for the sale of surplus vehicles shall be deposited into the vehicle fund for the department that utilized the vehicle.

Net funds received for the sale of surplus equipment (other than vehicles) shall be deposited into the “unallocated” fund for the department that utilized the equipment.



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PROCEDURES

A separate bank account designated as the “Reserve Fund” has been established by the District and is included on the monthly treasurer’s report, with a detailed break-down of each category.

Contingency Fund After the close-out of each fiscal year, the Treasurer or designee shall examine the previous year’s cash-flow results, including a calculation of the general fund balance needed to cover ongoing operating expenses. A recommendation will be made to the board regarding how much money should be moved into or taken out of the contingency fund (if any).

Streetlight Fund As established by district Policy #4000, the district established a zone for the Streetlights in 2006. Income and expenses related to the streetlights are kept in a separate fund to ensure that no firefighting revenue is used to support the streetlights or visa-versa.

The streetlight fund shall also pay its fair share of the County Management fee (the amount that the County charges per State Law for collecting & dispersing the district’s tax revenue) At the closing of each fiscal year, the district treasurer or designee shall determine the percentage charged on the total tax revenue and apply that percentage to the streetlight tax revenue. This amount shall be charged to the streetlight fund as its share of the County Administrative fee for the corresponding fiscal year.

Funds Master Sheet A master sheet to track the fund changes on an annual basis has been developed by the District Treasurer. It is updated annually as part of the year-end accounting process. A copy of the Master sheet shall be provided each year in conjunction with the draft final budget. The reserve fund account balance, along with detail for each category shall also be included on the monthly treasurer’s reports.

Accrued interest on the Reserve Fund Account is transferred to the general fund.