

Kitsap Public Facilities District

Operations Fund (96968) Reserve Policy

Purpose

This policy establishes guidelines for setting the minimum reserve to be maintained in the Operations Fund (96968) to assure payment of necessary monthly expenses when the monthly revenue varies due to economic conditions.

Policy

The KPFD will maintain an Operations Reserve equivalent to one-half of the annual operations budget for the current year.

1. In the case of the 2013 budget of \$110,337, that initial amount would be \$55,168.
2. An initial transfer of \$20,000 is to be made upon approval of this policy and the balance to be brought up to that level as quickly as excess revenue over expenses permits, but no later than six months after approval of this policy.

When the annual budget is prepared, the new reserve limit will also be calculated and submitted for approval of the Board, along with the budget. The new reserve amount shall be achieved within three months of the beginning of the fiscal year.

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