



REGIONAL PARK AND OPEN SPACE DISTRICT

Policy and Procedure Manual



5.1

Fiscal Policy

I. POLICY

The District shall closely monitor revenue and expenditures while maintaining adequate levels of fund balance to mitigate current and future risks, adhering to best practices provided by the Government Finance Officers Association (GFOA).

II. PURPOSE

The District has the responsibility to avoid cash deficits throughout the fiscal year and maintain adequate fund balance reserves in order to implement long-term financial planning and management.

III. PROCEDURE

- A. The District shall maintain adequate fund balance reserves in accordance with Board of Supervisors policy B-30, Governmental Fund Balance and Reserve.
1. The District shall strive to maintain a minimum unassigned fund balance in its Operating Fund of at least 25 percent of the current fiscal year's operational expenditures as a general contingency reserve.
 2. The District shall contribute unassigned fund balance from its Operating Fund to any of its Special Revenue Funds that have a fund balance below or projected to be below zero at any time during the fiscal year.
 3. The District shall assign a portion of unassigned fund balance from its Operating Fund to cover its Leave Liability arising from employee payouts upon separation. The funds assigned for this purpose shall be at least three percent of the current fiscal year's operational expenditures or an amount equal to half of the previous fiscal year's reported liability, whichever is less.
- B. The District shall assign a portion of unassigned fund balance from its Operating Fund for Disaster Relief. The use of these funds will be limited to one-time or short-term expenditures that are the result of a natural disaster or act of



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terrorism. The funds assigned for this purpose shall be at least two percent of the current fiscal year's operational expenditures or \$300,000, whichever is greater.

- C. At the end of each fiscal year, after satisfying the assignments provided for in section A, the District shall assign a portion of the remaining unassigned fund balance from its Operating Fund and contribute that portion to its Acquisition and Development Fund for the Capital Improvement Program. The contribution shall be at least sixteen percent of the current fiscal year's operating expenditures, and shall be allocated as follows:
1. Five of the sixteen percent shall be assigned for capital asset maintenance projects as identified in the approved Capital Improvement Plan. The District may assign and contribute additional unassigned fund balance from its Operating Fund if needed to cover funding requirements for the next fiscal year's approved annual Capital Improvement Plan.
 2. One of the sixteen percent shall be assigned for Energy Conservation improvement projects to reduce long term costs associated with inefficient systems. If the annual Capital Improvement Plan does not identify or approve a project that meets this description, the annual contributions will continue to accumulate as assigned fund balance until an allowable project is identified and approved.
 3. Ten of the sixteen percent shall be assigned for future acquisitions and land purchases. If the annual Capital Improvement Plan does not identify or approve an acquisition or land purchase, the annual contributions will continue to accumulate as assigned fund balance until an allowable acquisition or land purchase is identified and approved.

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