



Reserves Policy

Per CA Government Code 53646(a)(2): "In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting." Furthermore, the Marin Resource Conservation District (District) is required to be in compliance with Governmental Accounting Standard Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, for all fiscal years beginning after June 15, 2010.

It is the policy of the District that "unrestricted" funds (funds not obligated by law, contract or agreement) including donations, interest earned, fees for service or other non-grant earnings, be reserved in the accounts identified below. It should be noted that the financial commitments indicated below do not represent the District's unrestricted funds at this time but are targets the District believes will result in a more fiscally responsible and financially independent organization.

General County Account: The primary use of the District's unrestricted funds is the use of such funds to offset the payment of construction services. The District shall hold a maximum reserve of \$400,000 in the County of Marin general account which shall be used to pay vendors in advance of the District receiving payment from grantors. Payments will be made at the discretion of the Board of Directors of the District and are intended to provide vendors with timely payment of services rendered.

Savings Account: Upon occasion the District will transfer funds into and out of the District's savings account which shall be used as a reserve for operational needs or equipment purchases. Operational reserves are intended to provide for District personnel and operating expenses for a period of six months in times of economic uncertainty. The District shall hold a maximum reserve of \$150,000 for this purpose. The savings account has no minimum or maximum time limit in which funds must remain in the account. All bank accounts will be at institutions insured by the federal government or an entity of the

federal government against loss. Balances in any bank account shall not exceed the amount of this insurance.

Policy Review: The Board of Directors will review this policy on an annual basis. The Board of Directors of the District will review the funds held in the General County Account on an annual basis to determine if funds may be transferred to the Savings Account.