

## POLICIES ON RESERVES FROM OTHER LAFCOS

### Fresno LAFCo

#### Financial and Accounting Procedures

LAFCo may establish a Contingency Reserve Fund to cover emergencies and other unforeseen costs not budgeted but deemed necessary for the continued operation of the Commission. Expenditure of Contingency Funds must receive prior approval of the Commission. An emergency expense can be authorized from the Contingency Fund with approval of the Executive Officer and at least one Commissioner for an amount totaling less than \$5,000.00 during a monthly period. Funds not expended at the end of the fiscal year shall be carried over to the next fiscal year.

A legal Reserve Account shall be maintained by LAFCo staff for the purpose of funding non-budgeted legal expenses as may occur from time-to-time. Disbursement from this fund must be approved by LAFCo Commission action.

All Contingency Funds shall be held in bank accounts approved by the Commission and the balance of these accounts shall be reported in the mid-year budget review report and annual budget report.

### San Bernardino LAFCO

#### **RESERVE POLICY** (Adopted April 21, 2011)

The Commission will require the maintenance of two separate reserves which shall be funded as a part of the annual budget adoption process as follows:

- a. The balance of San Bernardino LAFCO Employee Compensated Absences at April 1 of each fiscal year shall be funded and placed in a committed reserve account in the following fiscal year budget; and,
- b. Annually the Commission shall set aside a minimum of \$200,000 in a committed reserve account for payment of potential litigation.

### Yolo LAFCO

#### **5.7 Contingency Reserve**

The annual budget should strive to include a contingency reserve equal to or greater than 20% of the overall budget, as determined by the Commission. Funds budgeted in the contingency reserve shall not be used or transferred to any other expense account without prior approval of the Commission.