

## **GENERAL FUND RESERVE POLICY**

**General Fund Discretionary Reserve Target:** The General Fund Discretionary Reserve Target is for the combined balance of the General Reserve, Reserve for Cash Flow, and Service Stability Reserve to equal 17% of General Fund revenues and reimbursements from other funds.

### **Funding Approach for Recommended Budget**

For the Recommended Budget, to balance budget year spending needs with achieving the Reserve Target, discretionary resources will be used in the following order of priority:

1. Fund base budget requirements and any new required County obligations.
2. Make any needed contribution to the General Reserve so that the balance equals 10% of discretionary revenue and reimbursements.
3. Deposit a minimum of 25% of any remaining discretionary resources (after accounting for 1 and 2 above) to the Service Stability Reserve until the Reserve Target is reached.
4. With any remaining discretionary resources, fund growth or other specific reserves as needed, with a goal of aligning ongoing expenditure growth with ongoing resources.

### **Funding Approach for Revised Recommended Budget**

For the Revised Recommended Budget, any increase in total discretionary resources compared to the Approved Recommended Budget will be used in the following order of priority:

1. Fund any changes in base budget requirements and any new required County obligations.
2. Adjust the contribution to the General Reserve as needed to maintain a balance of 10% of discretionary revenue and reimbursements.
3. With any remaining discretionary resources, fund growth identified in the Approved Recommended Budget for consideration in the Revised Recommended Budget, with a goal of aligning ongoing expenditure growth with ongoing resources.

4. Deposit any remaining net increase in discretionary resources to the Service Stability Reserve until the Reserve Target is reached, and then to other reserves as needed.

**Reserve Use and Replenishment**

Base budget requirements and new required County obligations in excess of discretionary resources available may result in a release from the General Reserve or the Service Stability Reserve and should include a plan to replenish reserves, which will be based on the circumstances under which the reserve release is made.