

**BEFORE THE BOARD OF HEALTH
SPOKANE REGIONAL HEALTH DISTRICT
RESOLUTION #20-10**

RE: ADOPTING A RESERVES ALLOCATION POLICY

WHEREAS, the Spokane Regional Health District Board of Health is responsible for oversight and the setting of financial policy for the Spokane Regional Health District; and

WHEREAS, the Spokane Regional Health District has assigned, committed and unassigned funds set aside in case of emergencies, unforeseen changes in the economy or the District's financial situation; and

WHEREAS, the purpose of a reserves allocation policy is to support an understanding of the types and amounts of reserves that will be maintained by the Spokane Regional Health District and to ensure sufficient cash flow to meet operating needs and the proper management of these funds;

NOW, THEREFORE, BE IT RESOLVED, the Spokane Regional Health District adopts the reserves allocation policy as presented in the attached document.

Signed this 24th day of September 2020 in Spokane, Washington.


SPOKANE REGIONAL HEALTH DISTRICT
BOARD OF HEALTH



CHAIR, MAYOR BEN WICK



BREEAN BEGGS, COUNCIL PRESIDENT



KEVIN FREEMAN, MAYOR



AL FRENCH, COMMISSIONER



ANDREA FROSTAD, BOARD MEMBER



CHUCK HAFNER, BOARD MEMBER



VICE CHAIR, COMMISSIONER MARY KUNEV



JOSH KERNS, COMMISSIONER



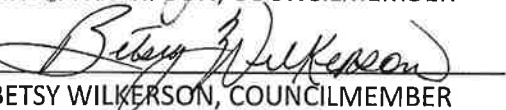
JASON KINLEY, BOARD MEMBER



KAREN STRATTON, COUNCILMEMBER



LINDA THOMPSON, COUNCILMEMBER



BETSY WILKERSON, COUNCILMEMBER

	POLICY: Reserves Allocation	NUMBER:
	DATE ENACTED:	REVIEW DUE:
	DIVISION:	APPROVER:

PURPOSE

The purpose of this policy is to provide funds for unforeseen contingencies due to unpredictable economic turns in the Health District’s financial status.

SCOPE

This policy shall apply to all excess funds in the agency’s annual budget.

POLICY

To ensure that the Health District has funds set aside in case of emergency or unforeseen changes in the economy or financial situation, the Board of Health has designated the following assigned, committed, and unassigned fund balances:

Assigned Fund Balance: Indicates the portion of fund balance that reflects a government’s intended use of resources.

- **Building and Facility:** The building and facility reserve is set aside to support significant building and repair updates to the agency building. The Administrator or their designee can use these funds for building and facility in line with the procurement policy. The Board will annually set aside \$500,000 (at minimum) in reserves for the building.
- **Environmental Health:** Given the fee structure of environmental health, from year to year, there can be an amount collected that exceeds estimated budget revenues. In this situation, the environmental public health excess can be applied toward environmental public health expenses in the coming year. This reserve can only be used for environmental public health service activities that created the excess.

Committed Fund Balance: Indicates the portion of fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at the highest level of decision making (normally the governing body) through a most binding formal action and that remain binding unless removed in the same manner.

- **Emergency Funds:** The Health District shall set aside an emergency fund, which can be utilized with Board approval and in line with the procurement policy. The emergency fund reserve shall be set aside \$1,500,000 (at minimum). To use the fund, the Administrator, or their designee, must request to use the funds from the Board of Health. A formal Board resolution is required to use these funds.

Unassigned Fund Balance: Indicates net resources in excess of non-spendable, restricted, committed, and assigned fund balance.

- **Operating Reserve:** The purpose of the operating reserve is to ensure the stability of the Health District’s mission, programs, employment, and ongoing operations. The operating reserve is necessary to maintain the operating cash flow for the Health District. The cash flow is needed to cover operating costs until grant reimbursements can be received. The operating reserve should be able to cover three months operating costs of the Health District. The operating reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The operating reserve may also be used for one-time, highly unusual and/or urgent needs to ensure uninterrupted operations of the Health District. The operating reserve should reflect 20% of the overall annual agency budget.