



OPERATING RESERVE FUND POLICY

Approved: 2019-12-17

Motioned by Deputy Chair Van Kroonenburg

"I move that Village of Bible Hill adopt the Operating Reserve Fund Policy as presented, repealing and replacing the existing policy of the same name adopted November 2016."

Seconded by Commissioner Kennedy

Motion carried

Purpose

1. To provide stable cash-flow for Village operations during times of need.

Definitions

2. In this policy,
 - (a) "Village" means the Village of Bible Hill.
 - (b) "Village Commission" and "Village Commissioners" have the same meanings as defined in the Municipal Government Act.

Principles Supporting Policy

3. The Village annually sets tax rates to generate funding sufficient to deliver its balanced budget.
4. The Village's fiscal year begins April 1, however, property tax revenues are received throughout the year, resulting in short-term cash flow requirements.
5. By maintaining a reserve fund, the Village can satisfy short-term cash-flow requirements of its operating budget until such time that normal cash flows are generated by revenues.
6. Should the Village experience extraordinary circumstances that result in revenue shortfalls or overages in the operating budget, a reserve fund can satisfy such short-term cash-flow requirements.

Terms of Policy

7. The Village Commission shall maintain an interest bearing bank account restricted for the purposes of holding funds and transacting under the terms of this policy. The account shall be known as the operating reserve fund and herein referred to as the reserve fund.
8. The Village Commission shall, on an annual basis, transfer from the operating fund to the reserve fund, an amount no less than fifteen percent of the tax roll less the current balance of the reserve fund.
9. Interest earned on the reserve fund balance shall be maintained in the reserve fund.
10. All deposits and withdrawals involving the reserve fund shall be made by motion of the Village Commission.
11. The reserve fund balance in excess of fifteen percent of the tax roll may be withdrawn by motion of the Commission for any Village purpose.

Reference

Department of Municipal Affairs Financial Reporting and Accounting Manual Section 3

Municipal Government Act 100

Policy Document Attestation

Date of Notice to Village Commission of Intent to Consider: 2019-12-10

Date of Passage of Policy: 2019-12-17

I certify that this Policy was adopted by Village Commission as documented above:

Leo Mue Dornick

Chair

December 18, 2019

Dated

W. Phillip Bell, CPA, CA

Clerk and Treasurer

2019-12-18

Dated