Grant County Fire Protection District 3

POLICY AND PROCEDURE

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1. NUMBER: 6.1.04

2. SUBJECT: ***Reserve Fund***

3. POLICY: It is the Policy of this District to maintain an adequate Reserve Fund to cover certain necessary and unforeseen expenses. To align with this policy, the following procedures are established to define that process.

4. SCOPE: This Policy and Procedure is applicable to the District Fire Chief or designee as well as District personnel.

5. RESPONSIBILITIES:

   A. The District Fire Chief or designee shall be responsible for enforcing the provisions of this Policy and Procedure.

6. PROCEDURE:

   A. The Board of Commissioners will annually review the capability of transferring funds to reserve for future purchases and unforeseen expenses.

   B. The Board of Commissioners will assess the necessity of allocating funds for capital acquisitions and unexpected expenses as required.

   C. The Reserve Fund should be maintained at 20% of the annual operating budget.

Note: Examples of unforeseen expenses include cash flow requirements, equipment purchases, station construction, station acquisition, emergency needs, uninsured losses, major equipment breakdown, and major (unbudgeted) incident expenses.