



POLICY TITLE: FINANCIAL RESERVE

POLICY NUMBER: FIN-06

COMMITTEE APPROVAL: 02-13-2025

BOARD APPROVAL: 02-25-2025

POLICY #FIN-06: It is the policy of the Desert Healthcare District (“District”) to establish the process to utilize District reserve funding. Reserve funding shall refer to the investment accounts of the District, currently held separately from the operating bank accounts. The intent of reserve funding is to provide an unrestricted investment account where excess operating funds can be deposited and withdrawn as needed to support the operation of the District, and to support expenditures authorized by the Board of Directors (“Board”).

GUIDELINES:

The District receives an estimated \$10M annually from county property tax allocation. The operations of the District, including grant funding, are mostly funded by the annual tax allocation. The reserve fund is increased as tax payments are received or decreased as grant and operational costs are expended.

1. The use of District reserve funding shall be allowed in the following situations:
 - a. By a Board Director (“Director”) approved transfer to or from the District operating account to support the operation of the District
 - b. By formal action of the Board

2. Authorizations for the use of District reserve funding require adherence to the approval process.
 - a. Operating account transfers shall be prepared by District staff and shall include the following information:
 - i. Source and destination account numbers (reserve fund to operating or operating to reserve fund only)
 - ii. Value of transfer
 - iii. Contact information of signing Director(s)
 - iv. Copy of recent bank statements for source and destination accounts



for validation

- v. Authorization by signature of at least one Director on file, after all other items have been provided for the Director's review
 - b. Once written transfer authorization has been completed, the transfer will be entered into the banking system for approval. The CAO and CEO will have authority to submit and/or approve the transfers. Submission and approval will be separate actions and are unallowed to be completed by the same person.
 - c. If the Board authorizes a formal action utilizing reserve funds, the transfer of those funds shall adhere to the same process as an operating account transfer.
3. The balances of the reserve fund and operating accounts shall be included in the monthly financial statements on the balance sheet (Statement of Financial Position) report. Funds shall be transferred to and from the operating accounts from the reserve accounts as necessary for normal operation of the District.

AUTHORITIES

Desert Healthcare District Bylaws Article V, section 5.6

DOCUMENT HISTORY

| | |
|----------|------------|
| Revised | 02-25-2025 |
| Revised | 09-26-2023 |
| Revised | 10-26-2021 |
| Approved | 07-23-2019 |