

Proposed Changes to Policy 2010 FUNDS –

Presented April 21, 2021 for consideration on May 19,2022

NO CHANGES to PROCEDURES (2nd page)

CHANGES SHOW AS FOLLOWS: **NEW** delete Definitions:

Contingency Fund Commonly referred to as a “Rainy Day Fund” the purpose of this fund is to cover budget short-falls and unexpected expenditures.

Streetlight Fund The purpose of this fund is to ~~keep~~ **separate** the Streetlight Revenues & Expenses ~~and the corresponding accumulated net change separate~~ from the Fire/EMS Operations of the District. The funds in this account are intended for streetlight related expenses in Alleghany & Forest City only.

Unallocated Funds Pike & Alleghany Fire Depts These funds are allocated to a specific fire department, but otherwise not tied to any specific purpose.

Vehicle Funds Pike & Alleghany Fire Depts Funds allocated for vehicle purchase and/or repairs and maintenance ~~for each sedepartment., unless otherwise noted (a portion of Alleghany’s vehicle fund has been ear marked specifically for a vehicle purchase at the request of the donor AVFD non profit corp in the amount of \$8,000).~~

Building Maintenance Funds Pike & Alleghany Funds allocated for repairs and/or improvements to the firehouses.

Mutual Aid Income The District maintains Agreements with the US Forest Service and California Dept. of Forestry to provide support on Fire Incidents. The money earned from these incidents is listed on the District’s chart of accounts as: Mutual Aid Income. ~~It is allocated to specific funds as explained in the Procedures below.~~

Emergency Response Income The District adopted Ordinance #1 in February of 2016. This ordinance established billing rates for emergency response services provided to non-resident individuals. The money earned from these incidents is listed on the District’s chart of accounts as: Emergency Response Income. ~~It is allocated to specific funds as explained in the Procedures below.~~

POLICY

It is the policy of the District to set aside Reserve Funds on a regular basis to ensure financial stability and to facilitate long-term planning. Fund accounts are also used to allocate money for specific purposes, allocate funds based on income source or to ensure that contributions are retained for their original intended use to the full extent possible.

CONTINGENCY FUND: It is the Policy of the district to maintain funds sufficient to cover approximately 6 to 12 months of district operations in the contingency fund. The purpose of the contingency fund is to cover budget shortfalls and unexpected (emergency) expenses. Board action is required for contingency fund transfers.

VEHICLE AND BUILDING FUNDS: These funds shall be prioritized for Capital Expenditures, but may be used for repairs and maintenance if deemed necessary by the board. For vehicle purchases, Vehicle Registration Fees shall be treated as part of the purchase price.

Funds received for the sale of surplus vehicles shall be deposited into the vehicle fund for the department that utilized the vehicle.

Funds received for the sale of surplus equipment (other than vehicles) shall be deposited into the "unallocated" fund for the department that utilized the equipment.

(I am not sure if the two paragraphs above belong under "POLICY" or "PROCEDURE", but this has been the unwritten district P&P to-date) Assuming the board adopts these changes a reference to this policy will also be added to Policy #2070 Disposition of Assets.