

PLACER COUNTY
LOCAL AGENCY FORMATION COMMISSION

General Reserve Policy

Overview

The Commission adopts an annual budget prepared on the modified accrual basis for the General Fund, consistent with generally accepted accounting principles (GAAP). The Commission's adopted final budget can be amended by the Commission to change appropriations as unforeseen circumstances come to the Executive Officer's attention. Increases in appropriations require the Commission's approval. Expenditures may not exceed total appropriations for the fiscal year. The Executive Officer shall review the budget with the Commission and, when necessary, recommend changes.

This policy establishes a General Reserve budget line item with parameters for funding and uses for unforeseen major expenditures that require supplemental funding to the Commission's adopted budget.

Policy

It is the policy of Placer LAFCO to:

Establish a General Reserve budget line item at a minimum of 25% of the Commission's annual Operating Budget. The Operating Budget is defined as the annual adopted expenditures of the Commission, including, but not limited to, employee salaries and benefits, services, and supplies.