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| ***POLICY AND PROCEDURE*** | |
| **SUBJECT/TITLE:** | Board of Health Cash Reserves Policy |
| **SCOPE:** | Galion City Health Department |
| **CONTACT PERSON & DIVISION:** | Andrea Barnes, REHS, BS, Health Commissioner |
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**PURPOSE**

The purpose of this Cash Reserves Policy is to ensure the financial stability and continuity of the Galion City Health Department’s operations and services. Adherence to this policy will:

1. Provide a buffer against unexpected revenue fluctuations or unforeseen emergencies, such as disasters or public health crises.
2. Support strategic initiatives, capital projects, and create long-term financial health.
3. Demonstrate sound financial stewardship and inspire confidence in stakeholders, including the community and funding sources (Galion City Council).

**DEFINITIONS**

**Cash Reserves:** Funds designated and held specifically for the purposes in this policy, including operating reserves, risk management reserves, and potential capital improvement reserves.

**Operating Reserves:** Funds specifically designated to ensure the stability of the Health Department’s mission, programs, employment, and ongoing operations. They are meant to cover operating costs in situations like a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding for mandated programmatic needs.

**Risk Management Reserve:** Funds designated to provide for potential liabilities, unexpected events, and catastrophic occurrences that could impact the department’s ability to provide essential services.

**Capital Improvement Program Reserve:** Funds set aside for future capital projects, facility maintenance, and technological upgrades.

**POLICY**

The Board of Health recognizes the importance of maintaining adequate cash reserves to ensure its financial health and ability to fulfill its mission as a city health department. This policy outlines the principles, levels, and procedures for managing these cash reserves.

**PROCEDURES & STANDARD OPERATING GUIDELINES**

# RESERVE LEVELS

The Board of Health can establish reserve balance accounts for specific purposes, such as stabilizing budgets against revenue/expenditure fluctuations and/or managing self-insurance programs.

## Operating Reserve: The targeted balance for the Operating Reserve shall be equivalent to 3 to 6 months of the current fiscal year’s average operating expenses. This calculation should include recurring and predictable expenses.

# FUNDING RESERVES

## General Fund revenues equaling more than expenditures.

## Grants, donations, or other specific funding sources designated for reserve purposes.

## Gradual accumulation from unrestricted surpluses.

# USING RESERVE FUNDS

## Withdrawals from the reserve funds require approval by the Board of Health, and a plan for replenishment should be developed in conjunction with the withdrawal.

# MANAGEMENT and OVERSIGHT

The Administrative Services Director and the Health Commissioner shall be responsible for monitoring cash reserve balances, preparing financial reports, and ensuring compliance with this policy.

**CONTRIBUTORS**

### Andrea Barnes, REHS Health Commissioner

**REFERENCES**

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*Andrea Barnes, REHS Date*

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