



Jackson County Tourism Development Authority Fund Balance Reserve Policy

Fund Balance Reserve Purpose

The Fund Reserve Policy is created for the following purposes:

1. Avoid cash-flow interruptions
2. Provide funding for unanticipated, non-recurring, significant expenses that cannot be absorbed with annual revenues and cannot be avoided
3. Allow the TDA to sustain operations during unanticipated emergencies

Fund Balance Reserve Establishment

The Fund Reserve will be established in the fiscal year 2020-2021 or upon the re-opening of High Hampton Resort, whichever is later.

Contributions can be made to the Fund Reserve gradually so as not to disrupt the Occupancy Tax available for TDA use. The Target Balance should be reached no later than 24 months past the creation of this policy.

Reserves

The Fund Reserve Balance will be an amount equivalent to 30-percent of the current fiscal year's budget. The target fund balance will fluctuate depending on future annual operational budgets.

An additional eight percent of the unappropriated fund balance will be reserved and restricted as required by the Local Government Commission for local government entities.

Fund Balance Reserve Use and Replenishment

The Executive Director will determine when use of the Fund Reserve is needed and will present its petition to the Board for evaluation and approval.

Restoring the Fund Reserve Balance to its target level should be a priority. The Board should determine the means and timeframe to replenish amounts used from the Fund Reserve.

Date Approved: November 13, 2019

Attest:

Kathy Korb, Secretary