

**FLORIDA ASSOCIATION OF COUNTIES, INC.
POLICY**

Subject: Reserves

Objective: To provide for adequate resources to fund the Association's on-going operations and to fund capital replacement needs.

Operating Reserve

The Association will maintain operating reserves in order to fund daily operations of the Association. The Association will endeavor to maintain a minimum of one year operating needs at all times.

Capital Reserve

The Association will establish capital reserves in order to provide for the capital needs of the organization. The Association will endeavor to fund capital reserves on an annual basis.

Calculation of Reserves


Total reserves will be calculated as: current assets plus cash investments less current liabilities, adjusted for accrued leave time, the current portion of long-term debt and any restricted net assets.

Utilization of Reserves

Reserves will be expended in accordance with the budgetary controls policy adopted by the Board of Directors.

Reservation of Authority: The FAC Board of Directors reserves the right to modify, amend or abolish this policy by majority vote at any regular meeting of the Board.

As approved by the Board of Directors, this 23 day of September, 2004.



Commissioner Cliff Thael
President