

TO: ALL COUNTY PERSONNEL
FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR
PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT AND BUDGET (OFMB)
SUBJECT: BUDGETED RESERVES REPORTING
PPM #: CW-F-042

ISSUE DATE
April 29, 2025

EFFECTIVE DATE
April 29, 2025

PURPOSE:

To provide direction regarding the analysis and reporting of budgeted reserves.

UPDATES:

Future updates to this PPM are the responsibility of the Director of OFMB.

AUTHORITY:

- Palm Beach Administrative Code, Section 304.02, as may be amended.

DEFINITIONS

Refer to **Attachment A** for a listing of definitions related to this PPM.

POLICY:

An analysis of all reserve accounts in excess of \$50,000 shall be reported annually to the members of the Board of County Commissioners (BCC).

The requirements of this policy shall not be applicable to debt service reserves, reserves for balances forward, or reserves for donations.

Operating Funds - The analysis shall include the following information:

- A. the purpose of the reserve;
- B. changes in the reserve since the original budget; and
- C. any anticipated uses of the reserved funds.

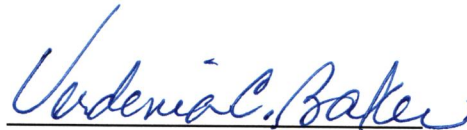
Capital Funds and Enterprise Funds - The analysis shall include the following information:

- A. the purpose of the reserve;
- B. changes in the reserve since the last report; and
- C. future projects to be funded from the reserve.

PROCEDURES:

Capital Project and Reserve Status Report

An analysis of all capital project reserves, contingency reserves and other operating reserves will be prepared by OFMB and included in the Annual Capital Project and Reserve Status Report, a copy of which will be submitted to the members of the BCC.



VERDENIA C. BAKER
COUNTY ADMINISTRATOR

Supersession History:

1. PPM #CW-F-042, effective 12/06/1994
2. PPM #CW-F-042, effective 12/16/2008
3. PPM #CW-F-042, effective 04/16/2013
4. PPM #CW-F-042, effective 06/28/2018

ATTACHMENT A
DEFINITIONS

Capital Project Reserves - Amounts set aside for capital improvement projects.

There are two (2) types of Capital Project Reserves:

- Designated - Amounts for identified projects which are proposed for funding but which have not had the specific project budgets established.
- Undesignated - Amounts which have been set aside for capital improvements for unspecified projects.

Contingency Reserves - Amounts set aside to meet unanticipated needs that arise during the budget year.

Debt Service Reserves - Funds set aside for future debt service payments in accordance with bond requirements.

Other Operating Reserves - Funds set aside for a variety of specific potential needs such as disaster clean up, future grant match, disallowed grant costs, or insurance loss reserves.

Reserves for Balances Forward - Funds to be carried forward to the subsequent fiscal year to pay operating expenses until operating revenues (e.g., property taxes) are received.

Reserves for Donations - Budgeted amounts established in anticipation of the receipt of actual donations of cash or other liquid assets.

Revised 03/2025