

Town of Galen

Reserve Fund Policy

SUBJECT: RESERVE FUNDS

Reserve funds (essentially a legally authorized savings account designated for a specific purpose) are an important component in the Town of Galen's financial planning for future projects, acquisitions and other lawful purposes. To this end, the Town of Galen may establish and maintain reserve funds in accordance with New York State Laws, Commissioner's Regulations and the rules and/or opinions issued by the Office of the New York State Comptroller, as applicable. The Town of Galen shall comply with the reporting requirements of Article 3 of the General Municipal Law of the State of New York and the Governmental Accounting Standards Board (GASB) issued GASB Statement number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Any and all Town of Galen reserve funds shall be properly established and maintained to promote the goals of creating an open, transparent and accountable use of public funds. The Town of Galen may engage independent experts and professionals, including but not limited to, auditors, accountants and other financial and legal counsel, as necessary, to monitor all reserve fund activity and prepare any and all reports that the Board may require.

Periodic Review and Annual Report

The Supervisor will periodically review all reserve funds. The Supervisor will also prepare and submit an annual report of all reserve funds to the Town of Galen Board. The annual report, to be presented at the January Reorganization Meeting, shall include the following information for each reserve fund:

- a) The type and description of the reserve fund;
- b) The date the reserve fund was established and the amount of each sum paid into the fund;
- c) The interest earned by the reserve fund;
- d) The total amount and the date of each withdrawal from the reserve fund;
- e) An analysis of the projected needs for the reserve fund in the upcoming fiscal year and a recommendation regarding funding those projected needs.

The Board shall utilize the information in the annual report to make necessary decisions to adequately maintain and manage the Town of Galen reserve fund balances while mindful of its role and responsibility as a fiduciary of public funds.

The Supervisor shall develop any necessary and/or appropriate regulations to implement the terms of the Town of Galen's Reserve Fund Policy.