



Mesa County Libraries (MCL) reserve funds shall be identified as restricted, committed, assigned, or unassigned reserves.

- **Restricted reserves** are amounts subject to externally enforceable legal restrictions and shall consist of:
 - State-mandated reserves, such as TABOR reserve requirements
 - Funds specifically mandated for debt service
 - Future legal requirements which may be placed on the library district
- **Committed reserves** are resources whose use is constrained by a limitation that a government imposes upon itself at its highest decision-making level. The decision to classify funds as committed reserves requires approval by the MCL Board of Trustees. Examples of committed reserves include:
 - Liquid assets for cash flow, no less than three months' worth of operating expenditures
 - Funds for future major maintenance and improvements based on a detailed replacement schedule
 - Other funds restricted by the MCL Board of Trustees
- **Assigned reserves** shall consist of any other monies in the general fund identified with a specific intended use.
- **Unassigned reserves** are amounts that are not placed into any other reserve category listed above.

Restricted, committed, and assigned reserves shall be reserved and invested in accordance with the MCL Investment Policy or as otherwise required.

Committed reserves that are set aside for a specific purpose can be used for another purpose once a need is realized, but only with a resolution of the MCL Board of Trustees.

This policy and the allocation of actual reserves will be evaluated annually by the MCL Finance Director to ensure compliance with Governmental Accounting Standards Board guidelines, and any proposed changes will be presented to the MCL Board of Trustees for approval.

REVIEWED AND ADOPTED ON AUGUST 31, 2017.

Laurie Tashiro – MCPLD Board President

Cindy Cyphers – MCPLD Board Secretary

