



**DC Ranch Association
Policy 207
Operating Fund Cash Management**

Policy 207

Date of Adoption:

Effective Date:

Last Revised: May 17, 2019

207.1 Purpose: The purpose of this policy is to define the procedures associated with the management and investment of operating cash for DC Ranch Association.

207.2 Scope: This policy applies to operating fund cash management. The conditions herein apply to the 16 Neighborhoods and the Ranch Master. Each Neighborhood and the Ranch Master maintain their own operating budget and reserve fund. While funds are comingled in operating accounts and reserve investment accounts, the entities maintain control of their funds and are provided with monthly financial statements upon request.

207.3 Responsibility/Authority: The DC Ranch Association Board of Directors.

207.3a Delegation of Authority: The DC Ranch Association Board of Directors delegates some of its responsibilities to the Executive Director, such as cash management and investments for operations. The Executive Director works closely with the Director of Financial Operations.

207.4 Introduction: DC Ranch Association's mission statement is as follows: To serve all DC Ranch Stakeholders through the professional management and protection of the community's fiscal and environmental assets. DC Ranch Association delivers high quality and consistent operations, landscape, maintenance and security services with an emphasis on customer care and open communication that result in sustained property values and exceptional quality of life.

207.5 Operating Cash Use: Operating cash is used solely to pay operating expenses associated with the annual operating budget approved by the Board of Directors.

207.6 Operating Cash Management: The management of operating cash is governed by and adheres to the policy in place for financial operation controls (Policy 201), as well as internal cash handling procedures.

207.7 Operating Cash Investment: The investment of operating cash is governed by and adheres to the DC Ranch Association Investment Policy. Operating cash on hand is maintained at a level commensurate to 30-90 days of the average monthly budgeted operating expenses.

207.8 Annual Operating Budget Development: As part of the annual budget development process, the operating fund balances for each Neighborhood and the Ranch Master are evaluated when determining the future year's monthly assessment.

2078a Operating surpluses:

- Operating fund balances in excess of 90 days will be considered for transfer to reserves if the reserve fund is funded at a level less than 100 percent.
- If the reserve plan is fully funded, an adjustment may be made to the monthly operating assessment.

2078b Operating deficits:

- In the case of a negative fund balance, a plan will be implemented to restore the equity of the Neighborhood.
- Transferring funds from the Reserve fund if funded more than 100 percent, with Board approval.
- Adjusting the monthly operating assessment until the fund balance is restored.

Approved By: _____ Date _____
Board President or Secretary

Effective Date: _____