



Interstate Council on Water Policy
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Carry-over Reserves Policy

At its planning meeting in Estes Park, CO on August 21, 2018, the ICWP Board of Directors reviewed the past few year's carryover funds. End of month (EOM) balances for June are a good indicator of overall asset health as membership dues invoices are sent out at the start of the ICWP fiscal year which runs July 1 to June 30. Here is a recap of the last few year's carryover:

Year	Carryover (June 30 balance)	
2015	\$ 30,471	
2016	\$ 20,902	Lowest EOM \$7,162
2017	\$ 19,244	Lowest EOM balance Aug. \$4,532
2018	\$ 31,316	

The Board desires to have a June EOM carry-over reserve equal to one year's operating expenses. The FY19 budgeted expenses were \$72,755, so for the purposes of this policy, \$75,000 will be set as the carryover goal. The difference between \$75,000 and \$31,316 is \$43,684. The Board set a goal of 5 years to have reached the one-year expenses carryover. \$43,684 divided by 5 years equals adding on to the carryover by \$8,737 each year. So, June EOM goals for the next 5 years are:

Year	Carryover June 30 balance
2019	\$40,053
2020	48,790
2021	57,527
2022	66,264
2023	75,001

The FY19 budget passed by the Board estimated as much as \$10,245 might be available for building reserves, so reaching this 5-year goal seems reasonable. Of course, annual expenses will likely rise, but this provides a blueprint of the amounts needed to set aside each year in order to reach the reserves goal. The Board may choose to review this 5-year plan when each year's budget is adopted to see if reserves are in line with these projections or to re-adjust if expenses increase substantially.

Adopted by the ICWP Board of Directors September 14, 2018