

RESERVES GENERAL POLICY

Intent

To establish an accounting policy for reserves for Douglas Shire Regional Council, in line with Council's Budget and Operational Plan.

Scope

This policy applies to the Douglas Shire Council budget and audited financial statements.

Heading

Legislation

Local Government Act 2009

Local Government Regulation 2012

Provisions

The purpose of creating reserves is to provide a source of funds for anticipated future capital works projects and any operational expenditure related to the associated reserve. The amount in each reserve relates to an anticipated future requirement which is not currently a liability.

Each reserve approved by Council must have the following identified:

- The name of the reserve;
- The purpose of the reserve;
- The source of funds of the new reserve;
- The use of funds in the reserve.

Once the new reserve has been approved, appropriate funds must be debited against retained funds and credited against the new reserve.

In accordance with this policy, transfers to and from a reserve can only be made by Council resolution or by inclusion in Council's annual budget. Transfers to and from reserves must be made for the stated purpose of the reserve, as outlined in this policy.

All reserves are to be cash backed. Cash representing the reserves will be held in Council's operating bank account or authorised investment.

If the purpose for which the reserve was created no longer exists, Council may close the reserve. In the event that this occurs, the funds held in the reserve must be credited to retained funds.

The utilisation of reserve funds for capital funding purposes will be managed via the Capital Works Program Source of Funds. The utilisation of reserve funds for operational purposes will be managed through the operational budget.

This policy provides for the establishment of the following reserves (refer Appendix A for more details):

- Constrained works reserve
 - Daintree Ferry reserve
 - Public art reserve
-

This policy is to remain in force until otherwise determined by Council.

Manager Responsible for Review: Chief Financial Officer

ORIGINALLY ADOPTED: 27/06/2014

CURRENT ADOPTION: 18/06/2019

DUE FOR REVISION: 30/06/2023

APPENDIX A

The following reserves have been established by Council:-

Constrained Works Reserve

Introduction:

State/Federal grants and developer contributions are constrained for the purpose of ensuring that funds are available for capital works projects such as roadways, drainage and parks etc.

Source of Funds:

This capital reserve sources funds from developer contributions, state and federal grants and other sources which have been provided for the purpose of funding specific capital expenditure.

Use of Funds:

The funds held in this reserve will be utilised through infrastructure works for the identified purpose.

Officers responsible for reserve: Management Team

Daintree Ferry Reserve

Introduction:

The purpose of this reserve is to constrain revenue generated from Daintree Ferry operations to ensure that future capital and operational expenditure will be funded.

Source of Funds:

At the end of each financial year, Council will transfer the net operating position of the Daintree Ferry operations into this reserve.

Use of Funds:

Funds in the reserve will be used to cover any costs associated with providing the Daintree Ferry Service.

Further details are available in Council's Daintree Ferry Revenue Policy.

Officer responsible for reserve: Executive Manager Infrastructure

Public Art Reserve

Introduction:

The purpose of this reserve is to build up a public art "bank" to support streams of the public art program and all ancillary costs.

Source of Funds:

Funds allocated to this reserve will be as determined by Council.

Use of Funds:

Funds from this reserve will be used on public art projects and associated ancillary costs.

Officer responsible for reserve: Manager Community Development