

"Savings" Options

Undesignated Funds

All the money not designated elsewhere in our budgets. AKA "rainy-day fund"

Doesn't require board approval to add funds. (Money leftover from all sources automatically goes to undesignated funds).

Doesn't require board approval to remove funds -funds are deducted to makeup budget shortfalls.

Reserves

Money set aside to be spent on a purpose. May be general or specific.

Requires board approval to add funds.

Requires board approval to remove funds.

Accumulated Capital Outlay (ACO)

Specific structured savings, with a designated purpose, timeline, and savings plan. Established by the board. Discretionary or Restricted.

Discretionary ACO: If need be, board can choose to spend the money in the ACO at any time for any purpose.

Restricted ACO: Money cannot be spent for any purpose other than the one that was established when the restricted ACO was created.

Funds into and out of a ACO will appear in the operating budget as revenue/expense.

Accumulated Capital Outlay (ACO) Example: SCBA Tanks

We want to start saving now in order to stagger replacement of our SCBA tanks.

Our goal is to replace 4 tanks every four years.

We estimate that we'll want \$40k every 4 years to purchase 4 new tanks.

So we'll need to set aside \$10k each year to our ACO so we'll be prepared when the time comes.

On the financial reports from County, \$10k will be an expense item in our operating budget under "5801- Operating Transfer Out".

That \$10k will be recorded in our ACO account budget.

The money in our ACO will NOT appear in our Undesignated Funds, as it's now been designated.

When the time comes to spend that money we will transfer that money to our operating budget as revenue.

ACO Budget Planning Worksheet

Capital Item	Estimated Cost	Years	Amount of Annual ACO Contribution
	\$40,000	4	\$10,000