


DCHS-BH Reserve Fund Policy

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	Issue Date:	<i>January 24, 2025</i>	Issue No.:	<i>1.0</i>

A. POLICY

It is in the interest of Deschutes County Health Services (DCHS) to ensure sustainability of required and safety-net services based on sound financial performance while operating within County government. Deschutes County Health Services Behavioral Health (DCHS-BH) will demonstrate financial responsibility by establishing and maintaining a cash reserve that provides mutual benefit for Deschutes County Health Services and Deschutes County at large.

1. Cash Reserve accounts are established within the County accounting system in accordance with County Policy #F-14. The cash will be held in a restricted Health Services fund (Fund 270—Oregon Health Plan – Behavioral Health Services, hereafter referred to as “DCHS-BH Reserve”) available for use only by the designated program (DCHS-BH) and in compliance with allowed uses laid out by the funding sources.
2. The DCHS-BH Reserve will strive to maintain a cash reserve target of at least 90 days operating expense, or roughly 25% of the DCHS-BH operating budget. DCHS-BH may hold a reserve greater than this amount if appropriate to revenues, need and circumstances of a given budget year. DCHS-BH Reserve may hold a reserve of less than this amount if necessary to maintain mandated and safety-net services or address critical unforeseen DCHS-BH program needs, while also balancing the DCHS-BH budget. A minimum balance of eight and three tenths’ percent (8.3%) of DCHS-BH operating budget will be maintained exclusively in the DCHS-BH Reserve, the Operating Fund, or a combination of the two.
3. Access to the DCHS-BH Reserve will be provided and approved by the DCHS-BH Deputy Director, Health Services Director, County Administrator, and/or Deschutes County Board of County Commissioners (BOCC) when required, consistent with the budget approval process in relevant County ordinances and financial policies.
4. The DCHS-BH Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, or unanticipated loss in funding. The DCHS-BH Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure in excess of Deschutes County’s Capital Improvement Plan (as designated each fiscal year in the County’s Adopted Budget), with appropriate approvals by County Administration and the BOCC.
5. Health Services will work with County Budget Officer and Chief Financial Officer each budget cycle to identify the proposed level of Operating Funds, DCHS-BH Cash Reserves and parameters for when cash may be moved between the DCHS Operating Fund account and the DCHS-BH Reserve. In compliance with County Policy #F-14, working capital balances will be determined given the unique needs and anticipated use of funds in future years.

6. Interest earned on the DCHS-BH Reserve will be used in integrity and alignment with the original intent of the funds. Specifically, prioritization of interest earned will be:
 - a. One-time expenditures that enhance or expand DCHS-BH services;
 - b. Gaps or lapses in funding for DCHS-BH operational expenses;
 - c. Local match requirements in DCHS-BH;
 - d. Other eligible uses.
7. There is no requirement that DCHS establish or maintain a Reserve Fund.

B. RELATED DOCUMENTATION

[County Policy #F-14: General Financial Policies](#)
[County Policy #F-7: Bank Accounts and Cash Handling Policy](#)
[County Policy #GA-20: Grant Application and Administration Policy](#)
[Deschutes County Code](#)
 Deschutes County FY Budget and Capital Improvement Plan

C. SCOPE

This policy applies to all activities and financial operations with regard to Fund 270—Oregon Health Plan-Behavioral Health Services Reserve Fund under the governance of the Board of County Commissioners.

D. RESPONSIBILITY

As appropriate, the Chief Financial Officer, County Administrator, and the Board of County Commissioners will retain ultimate fiduciary responsibility of the funds.

The Health Services Director and the Behavioral Health Deputy Director will work together to incorporate in the strategic planning and budgeting process identification of potential large capital expenditures in excess of the Capital Improvement Plan.

The Health Services Director will work with the Board of County Commissioners and County Budget Officer to establish appropriate operating expenditures within Fund 274 (DCHS Operating Fund) and cash on hand (Fund 270).

The Behavioral Health Deputy Director is responsible for confirming the use of Reserve funds is consistent with the purpose and intention of the original funds.

E. ABBREVIATIONS AND DEFINITIONS

BOCC: Deschutes County’s Board of County Commissioners
County: Deschutes County
DCHS: Deschutes County Health Services
DCHS-BH: Deschutes County Health Services, Behavioral Health
DCHS Leadership: Director, Deputy Directors, Medical Director, Officers, Program Managers, Supervisors
Finance: The County department responsible for three primary County functions of tax, accounting and treasury
Budget Officer: County Administrator

F. REVISION LOG

Issue No.	Issue Date	Description of Change(s)	Next Review Date
1.0	1/24/2025	Original authorization.	1/24/2028

G. REVIEWS

REVIEWS		
Name	Title	Date
David Doyle	County Legal Counsel	1/23/2025
Robert Tintle	County Chief Financial Officer	1/21/2025

H. AUTHORIZATION

AUTHORIZATION		
Name	Title	Date
Janice Garceau, LCSW	Health Services Director	01/24/2025
Signature: 