



**Cuyahoga Arts & Culture**  
**Cash Reserve Policy**  
Approved September 9, 2013

---

The Board of Trustees of Cuyahoga Arts & Culture appropriates funds annually to fund CAC's operating budget. The Board determines the amount available for appropriation by taking into account the revenue received to date for the current year and the amount of funds in the reserve account.

CAC established and maintains a healthy cash reserve for the following reasons:

1. Plan for the 10<sup>th</sup> year of grants
  - Cuyahoga Arts & Culture was forward-funded with a year of tax revenue received prior to the first grant disbursements. CAC is funded by a 10-year operating levy and accordingly shall provide 10 years of grants with the funds collected for this period.
2. Manage operations and cash flow needs
  - CAC provides access to grant dollars in the beginning and middle of the fiscal year. Using the reserve to fulfill the financial obligations of CAC allows cultural partners to have access to their grant dollars in the beginning of the grant cycle rather than the end.
3. Anticipate State and Federal policy changes
  - State and Federal cigarette tax policy, which CAC has minimal influence over, has the potential to impact the annual excise tax revenue which is also already known to have a consistent downward trend in terms of dollars collected annually.

It is the policy of CAC to maintain the reserve at a level that will provide for cash flow needs throughout the year and also, at the end of the year, be at a level that supports an additional year of funding in line with previous years' budgets and appropriation trends.