

ATTACHMENT E
OPERATING RESERVES (OR) SPENDING THRESHOLDS

Projected Operating Reserve Level After Expense	Expense Type	
	Non-Health and Safety	Health and Safety
≥ 35% of Maximum Operating Reserve Level	LHA may expend Operating Reserve funds without DHCD approval. LHA must include expenditure in correct operating budget line item.	LHA may expend Operating Reserve funds without DHCD approval. LHA must include expenditure in correct operating budget line item.
>20% and <35% of Maximum Operating Reserve Level	LHA must submit <i>Request to Release & Expend Operating Reserve Funds</i> (Exhibit B) and receive written DHCD approval <i>prior to</i> expenditure. LHA must include expenditure in correct operating budget line item.	If expenditure is necessary to address a health and safety issue, LHA may expend Operating Reserve funds without prior written DHCD approval. <i>After expenditure</i> , submit <i>Request to Release & Expend Operating Reserve Funds</i> (See Release Form, attached). LHA must include expenditure in correct operating budget line item.
< 20% of Maximum Operating Reserve Level	DHCD will not approve expenditure from Operating Reserve funds.	If expenditure is necessary to address a health and safety issue, LHA may expend Operating Reserve funds without prior written DHCD approval. <i>After expenditure</i> , submit <i>Request to Release & Expend Operating Reserve Funds</i> (See <u>Request to Release and Expend Operating Reserve Funds</u> Form, attached). LHA must include expenditure in correct operating budget line item.

