

Florida Courts E-Filing Authority Reserves Policy Highlights

Purpose

The purpose of the Reserves Policy for the Florida Courts E-Filing Authority (Authority) is to ensure the stability of the ongoing operations of the organization.

Proposed Reserves

Operating Reserves

The Operating Reserve is intended to provide an internal source of funds for situations such as: major one-time unbudgeted expenses that are critical in nature or for any unanticipated decrease or loss of revenues. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the Authority to maintain a required minimum balance for Operating Reserves. If the Operating Reserve has remained below the minimum requirement for two consecutive years, the Treasurer will recommend a budget with a projected surplus that is sufficient to rebuild the reserve over a specific number of years.

The minimum amount of cash to be designated as Operating Reserves, shall be an amount sufficient to maintain ongoing operations and programs measured for a set period of time, in months.

The minimum target for Operating Reserves is equal to 25% (or 3 months) of average operating expenses for the prior two years. The maximum target for Operating Reserves is equal to 50% (or 6 months) of average operating expenses for the prior two years. The calculation of average operating expenses includes all recurring, predictable expenses such as salaries and benefits, occupancy, office, travel, program, and ongoing professional services.

Average Operating Expenses – 17-18 actual +18-19 actual (5,869,789 + 6,487,937)/2 = \$6,178,863

Minimum Designated Cash - \$6,178,863 x .25 = \$1,544,716

Maximum Designated Cash - \$6,178,863 x .50 = \$3,089,446

The amount of the targeted Operating Reserve will be calculated each year after the completion of the annual audit, reported to the Treasurer and Board of Directors, and included in the regular financial reports.

Developmental Reserve

The developmental reserve is intended to provide funds for products and services that grow or expand services provided by the Authority. This could include items such as the purchase or development of new products/services. This may also include funding for research and development projects with the expectation that the Portal would realize a benefit in product or service levels.

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The recommended target balance for the Developmental reserve is \$2,500,000.

Summary of Target Reserves	
Reserve Account	Target Amounts
Operating Reserve (Maximum)	\$ 3,089,446
Capital Asset Reserve	\$ 2,500,000
Total Targeted Reserves	\$ 5,589,446

As of February 28, 2020, cash balances for the E Filing Authority are \$4.6 million.
