

CITY OF SEATTLE
ARTS & CULTURE FUND FINANCIAL POLICIES

1. Retention of Admission Tax revenues: The Office of Arts & Culture (ARTS) shall establish an operating reserve equivalent to 20% of Arts & Culture Fund annual operating expenses using Admission Tax revenues deposited into the Arts & Culture Fund for the sole use of ARTS. This reserve shall be retained to address any short-term fluctuations in Admission Tax revenues that undermine ARTS' ability to fund those programs and activities outlined in Seattle Municipal Code (SMC) Section 5.40.120.
2. Timing and reserve amount: The reserve fund balance should have a balance equivalent to 20% of Arts & Culture Fund annual operating expenses budgeted for a given year. If the operating reserve drops below the minimum reserve amount, it shall be replenished within a 2-year time period. The reserve will be adjusted annually with the budget.
3. Use of the reserve: The reserve shall be maintained solely for the purposes of supporting ARTS programs outlined in SMC 5.40.120 and shall not be used or directed to any other program or account.