

**Risk Allocation Matrix (RAM)  
INTERNAL SAVINGS ACCOUNT GUIDELINES**

The Risk Allocation Matrix (RAM) is a concept to develop a strategic mix of cost cutting and revenue generating initiatives. The savings and revenues resulting from implementation of these initiatives would be deposited into an Internal Savings Account. The objective of the RAM and the Internal Savings Account is to ensure that we prudently manage our scarce operating eligible funds and maintain financial stability. The Internal Savings Account is being established to mitigate the projected financial deficit.

The RAM Internal Savings Account is divided into three sections: Eligible Priority Uses, Withdrawal Guidelines, and Monitoring.

**Eligible Priority Uses**

Listed below is the list of eligible uses in order of priority:

1. Operating Deficit
  - Fund core transportation system
  - Efficiency and performance criteria will determine if funding is necessary
  
2. State of Good Repair
  - Fund critical need projects that is absolutely necessary to keep system safe and operational
  - Baseline for state of good repair should be established using minimum and maximum thresholds based on performance, life span defined by FTA guidelines and manufacturer recommended guidelines.
  
3. Transit Capital Projects
  - Fund the acceleration of project completions, with no impact to project sequence.
  - Fund project shortfalls

**Withdrawal Guidelines**

CEO will have authority to withdraw funds for eligible uses in the priority order specified. Withdrawal of funds by the CEO will be allowed if within current Board-approved budget authority and in accordance with agency policies.

Use of funds not specified as eligible will require ~~unanimous~~ a 3/4 majority Board approval.

**Monitoring**

A Statement of Activities of the Internal Savings Account will be provided to the Board periodically, detailing all deposits, withdrawals and uses of funds in the account.

## **ATTACHMENT C**

All withdrawals and uses will comply with the governing “color of money” requirements and will be carefully monitored to ensure compliance with these guidelines.