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By Legislators Smith and Delehanty

Intro. No. _____

RESOLUTION NO. ____ OF 2023

ESTABLISHING FUND BALANCE POLICY

BE IT RESOLVED BY THE LEGISLATURE OF THE COUNTY OF MONROE, as follows:

Section 1. The Monroe County Legislature hereby establishes a fund balance policy as detailed in Attachment A.

Section 2. This resolution shall take effect in accordance with Section C2-7 of the Monroe County Charter.

Ways and Means Committee – July 25, 2023 – CV: 11-0
File No. 23-0247

ADOPTION: Date: _____ Vote: _____

ACTION BY THE COUNTY EXECUTIVE

APPROVED: _____ VETOED: _____

SIGNATURE: _____ DATE: _____

EFFECTIVE DATE OF RESOLUTION: _____

Attachment A

Monroe County Fund Balance Policy

Purpose

The County of Monroe desires to establish a fund balance policy for the general fund to better manage its financial resources. Maintaining an adequate fund balance consistent with adopted policy can provide financial stability for both County government and property taxpayers by safeguarding against revenue shortfalls, emergencies, disasters, and other catastrophic one-time expenditures.

Background

In accordance with Government Accounting Standards Board (GASB) Statement 54, governmental fund balances will be classified into the specifically defined categories of non-spendable, restricted, committed, assigned, and unassigned. The last two categories – assigned and unassigned – are generally regarded as comprising “available” fund balance.

Non-spendable fund balance consists of amounts that are not in a spendable form (such as inventory and prepaid expenses) or are legally or contractually required to be maintained intact.

Restricted fund balance consists of amounts that are constrained to a specific purpose by debt covenants, by state or federal statute, or by other enabling legislation.

Committed fund balance consists of amounts constrained to a specific purpose by the County Legislature through adopted resolution. Amounts cannot be used for any other purpose unless the County Legislature takes the same action to remove or change the original constraint.

Assigned fund balance consists of amounts to be used for a specific intent, as identified by the Director of Finance-Chief Financial Officer, to whom the assignment of fund balance has been delegated.

Unassigned fund balance is the least restrictive of all categories of fund balance and consists of amounts that are not reportable in any other category.

When fund balances of more than one category are available for a specific purpose, it is the County’s practice to use the most restrictive fund balance first, in the following order: restricted, committed, assigned, and unassigned as they are needed.

Policy Statement

Monroe County will maintain an available general fund balance (the combined assigned and unassigned fund balance categories) to be within ten million dollars (\$10 million), plus or minus, of ten percent (10%) of the all-funds expenditures in the currently adopted operating budget.

The Director of Finance-Chief Financial Officer shall calculate annually, at the time audited financial statements are filed with the Clerk of the Legislature, compliance with this policy.

Available fund balance in excess of the maximum requirement may be used in subsequent budgets to provide property tax stability, capital project funding, and/or debt reduction, or for any other lawful purpose approved by the County Legislature.

In the event available fund balance falls below the minimum requirement, the Director of Finance-Chief Financial Officer shall prepare a plan to restore the available fund balance to the minimum requirement in the next budget year or other appropriate period of time.