



**ADMINISTRATIVE PROCEDURES**

<b>TITLE: General Reserves</b>		<b>PROCEDURE #: 490-A</b>
<b>DEPT: Finance</b>		<b>DIVISION:</b>
<b>EFFECTIVE DATE: 4/08</b>	<b>REVIEWED:</b>	<b>REVISED:</b>

**OBJECTIVE:** To establish a procedure for setting budgeted amounts for general fund contingency and unappropriated ending fund balance and rainy day fund unappropriated reserve.

**REFERENCE:** Policy #490

**POLICY STATEMENT:** It is the policy of the Marion County Board of Commissioners that procedures will be developed to determine the appropriate amount to be budgeted for contingency and unappropriated ending fund balance in the general fund and the unappropriated reserve in the rainy day fund.

**APPLICABILITY:** Marion County General Fund and Rainy Day Fund

**PROCEDURES:**

1. The budget officer shall prepare a schedule of estimated general fund resources for the upcoming budget year. This schedule shall be reviewed and approved by the Marion County Council of Economic Advisors.
2. The budget officer shall use the approved schedule of estimated general fund resources as the basis for preparing the calculation of required contingency, unappropriated ending fund balance and unappropriated reserve amounts. Refinements to the schedule of estimated resources may be made over the course of the budget process as additional information is collected, documented and approved by the budget officer.
3. For purposes of arriving at a basis for calculations prescribed by the general reserves policy (#490), estimated general fund resources shall be adjusted as follows to arrive at adjusted general fund resources.
  - 3.1 Estimated general fund resources may be adjusted for any extraordinary changes or one-time resources that, after the appropriate analysis, are determined to have any material unintended effects on contingency and ending fund balance calculations. Adjustments must be documented and approved by the budget officer.
  - 3.2 Estimated general fund resources may also be adjusted for material “transfers in” that are determined to be unique or “one-time” transfers. Transfers that are expected to occur each year and are applicable to operations should be included. Exclusions must be documented and approved by the budget officer.

**SUBJECT: GENERAL RESERVES**

- 3.3 Net working capital shall be excluded from estimated general fund resources for purposes of this calculation.
- 3.4 The chief financial officer shall ensure that the calculations are correctly applied. The budget officer shall ensure that the proposed budget is balanced and contains the appropriate amounts according to the policy. If the budget officer's proposed balanced budget does not comply with the guidelines of the policy, the budget officer shall present the differences to the budget committee with supporting recommendations.
4. The budget as approved by the Marion County Budget Committee shall contain general fund contingency, unappropriated ending fund balance and rainy day fund unappropriated reserve amounts that meet the policy requirements.
5. The Marion County Board of Commissioners shall ensure the adopted budget complies with the general reserves policy.