



Finance Committee

Meeting Date: **2/28/2023**

Fund Balance Policy

Department:	Finance
Presenter:	Donna B. Williams, Finance Director
Caption:	Approved revised fund balance and cash reserve policies
Background:	<p>The current General Fund fund balance policy was adopted on June 5, 2012. Unassigned fund balance was recommended to be maintained between 90 and 120 days of operations. At the budget planning workshop in 2021 the commission revised the goal to 180 days of operations. There was no formal action taken and subsequent discussion indicated that there was opportunity for further discussion. This item was postponed from a December 2022 meeting.</p>
Analysis:	<p>While there are general industry wide goals and practices in setting fund balance levels, the level of fund balance needed is unique to each government and each fund within that government.</p> <p>Using operational requirements, industry best practices and matrices developed by bond rating firm, fund balance policies are being presented for:</p> <p>General Fund</p> <ul style="list-style-type: none">✚ Operating and Emergency Reserve Policy <p>Special Revenue Funds</p> <ul style="list-style-type: none">- Fire- Streetlights- E911 <p>Fund balance – Cash Reserve policies are being presented for:</p> <p>Enterprise Funds</p> <ul style="list-style-type: none">- Water & Sewer- Augusta Regional Airport- Landfill- Garbage Collection- Stormwater Utility
Financial Impact:	No immediate budgetary impact. Periodic review and updating of fund balance policies is viewed as a positive management practice by bond rating firms.

Alternatives: N/A

Recommendation: Approve as presented

**Funds are available N/A
in the following
accounts:**

**REVIEWED AND N/A
APPROVED BY:**