

**MADISON CHARTER TOWNSHIP  
LENAWEE COUNTY, MICHIGAN**

**RESOLUTION NO. 26-7-1**

**A RESOLUTION AUTHORIZING STANDING INTERFUND BORROWING  
FROM THE SEWER/WATER FUND TO THE GENERAL FUND**

WHEREAS, Madison Charter Township, Lenawee County, Michigan, may from time to time experience temporary cash flow shortages in its General Fund due to the timing of revenue collections, including but not limited to property tax collections which occur primarily in December and January; and

WHEREAS, the Township may experience reduced cash balances at various times during the fiscal year, particularly toward the end of the fiscal year when revenues are not actively being collected, requiring temporary funding to meet lawful operating expenses; and

WHEREAS, the Madison Charter Township Sewer/Water Fund may have available, unrestricted cash balances not immediately required for operational or capital purposes, and such funds are not considered restricted and may be loaned; and

WHEREAS, Michigan law and accepted municipal accounting practices permit temporary interfund borrowing when such transfers are structured as loans with a clear intent and requirement for repayment and are approved by the Township Board; and

WHEREAS, the Township Board desires to authorize a standing policy for such interfund borrowing to ensure continuity of operations without the need for repeated annual resolutions;

**NOW, THEREFORE, BE IT RESOLVED by the Township Board of Madison Charter Township, Lenawee County, Michigan, as follows:**

**1. Standing Authorization**

This resolution shall serve as a continuing (standing) authorization for interfund borrowing from the Sewer/Water Fund to the General Fund and shall remain in effect until amended or rescinded by the Township Board.

**2. Maximum Loan Amount**

The total outstanding principal balance of all interfund loans authorized under this resolution shall not exceed Five Hundred Thousand Dollars (\$500,000.00) at any time.

**3. Individual Withdrawal Limit**

Each individual borrowing or transfer shall not exceed Two Hundred Thousand Dollars (\$200,000.00) per occurrence.

#### **4. Purpose of Loan**

Funds borrowed under this resolution shall be used solely for lawful General Fund expenditures, including but not limited to payroll and accounts payable, during periods when General Fund revenues are insufficient.

#### **5. Approval Requirement**

Each individual borrowing or transfer must be approved and executed with the signatures of the Township Supervisor, Clerk, and Treasurer prior to disbursement.

#### **6. Repayment Terms**

All amounts borrowed pursuant to this resolution shall be considered a loan and shall be repaid in full to the Sewer/Water Fund from subsequent General Fund revenues, including property tax collections. Interest shall be 0% unless otherwise determined by the Township Board.

#### **7. Repayment Deadline**

All outstanding balances shall be repaid no later than June 1 of the following fiscal year in which the funds were borrowed, or sooner as funds become available.

#### **8. Accounting and Recordkeeping**

The Township Treasurer and designated financial staff shall properly record all transactions as interfund receivables and payables (Due To/Due From) in accordance with generally accepted accounting principles and shall maintain accurate records of all such activity.

### **ROLL CALL VOTE**

Moved by: \_\_\_\_\_

Supported by: \_\_\_\_\_

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

**RESOLUTION DECLARED ADOPTED.**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of Madison Charter Township, Lenawee County, Michigan, at a regular meeting held on \_\_\_\_\_, 2026.

\_\_\_\_\_

Janet Moden, Township Clerk