
**BOARD OF COUNTY COMMISSIONERS
HILLSBOROUGH COUNTY
TAMPA, FLORIDA 33601**

BOARD POLICY - SECTION NUMBER: 03.02.02.22

SUBJECT: RESERVE FOR CASH BALANCE (STABILIZATION FUNDS)
EFFECTIVE DATE: December 16, 1998
SUPERSEDES: NEW

Purpose:

In order to be fiscally prudent, current revenues should pay for current expenditures. One-time sources such as beginning fund balance should be allocated only to one-time uses or carried forward. A reserve for cash balance to be carried forward as authorized by Section 129.01(2)(C)2, Florida Statutes should be budgeted each year at an adequate level to insulate the County against unanticipated revenue shortfalls and/or unanticipated expenses in the upcoming year and to ensure that sufficient cash is available in the following year to meet the County's obligations until revenues are anticipated to be available.

Policy:

It is the policy of the BOCC that the County budget an ending fund balance for an upcoming fiscal year equal to a minimum of 5 percent of expenditures. The calculation will be based on expenditures in the most recent year for which audited actuals are available. For example, in preparing the budget for FY 08, an ending fund balance will be budgeted equal to 5 percent of FY 06 audited expenditures, since the budget for FY 08 will be prepared during FY 07. If a budget for FY 09 is also budgeted as a part of a biennial budget process, it will also be based on FY 06 expenditures, since that will still be the most recent year for which audited expenditures are available.

For the purpose of this calculation, expenditures will include transfers to Constitutional Officers but exclude interfund transfers.

This policy applies to the following operating funds: General Fund, Unincorporated General Fund (MSTU Fund), and Special Library District Fund.

Recognizing that the minimum 5 percent target may not be accomplished immediately, the County will move toward that level through the following interim objectives:

FY 00	a minimum of 0.625 percent
FY 01	a minimum of 1.250 percent
FY 02	a minimum of 1.875 percent
FY 03	a minimum of 2.500 percent
FY 04	a minimum of 3.125 percent
FY 05	a minimum of 3.750 percent
FY 06	a minimum of 4.375 percent
FY 07	a minimum of 5.000 percent

Responsibility:

It is the responsibility of the Management and Budget Department, under the direction of the County Administrator, to implement this policy.

Approved By: Board of County Commissioners

Approval Date: December 16, 1998