

BOARD POLICY - SECTION NUMBER: 03.02.02.02

SUBJECT: USE OF EXCESS FUND BALANCE

EFFECTIVE DATE: July 8, 1998

SUPERSEDES: NEW

Purpose: The purpose of this policy is to provide for prudent use of any excess fund balance to improve the County's financial security.

Policy: It is the policy of the BOCC that upon completion of the annual financial audit, any excess fund balance in the General Fund and General Purpose MSTU Fund will be appropriated by budget amendment pursuant to Section 129.06, Florida Statutes, as follows:

1. 25 percent will be transferred to a fleet replacement account in the Fleet Services Fund for the replacement of vehicles including annual rental costs until the County's fleet replacement account for each fund has attained industry replacement standards, as identified by the Fleet Maintenance Department; and
2. 25 percent will be transferred to a designated reserve in the Self Insurance Fund for unbudgeted litigation or judgement expenses until the reserve in that account equals one percent of the combined General Fund and General Purpose MSTU Fund; and
3. 50 percent will be appropriated to the catastrophic emergency reserve in the Self Insurance Fund until reserves in that account match eight percent of expenditures in the General Fund and General Purpose MSTU Fund; and
4. any additional funds remaining as a result of meeting the required thresholds identified in (1), (2) or (3) will be split in the same ratio to meet the remaining threshold(s).

Once the standards are met for fleet replacement, unbudgeted litigation and judgments, and catastrophic reserves, excess fund balance in either fund may be appropriated in the next adopted budget for any legal purpose.

Excess fund balance is defined as both, (1) underexpenditures which may be realigned in the budget in which it was appropriated pursuant to Section 129.06(2)(a), Florida Statutes and, (2) unanticipated revenue which may be appropriated pursuant to Section 129.06(2)(f), Florida Statutes, that combined exceed the budgeted beginning fund balance for the next fiscal year.

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

Approved By: Board of County Commissioners

Approval Date: July 8, 1998