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

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**BOARD POLICY - SECTION NUMBER: 03.02.02.26**

**SUBJECT:** USE OF CAPITAL PROJECT APPROPRIATIONS

**EFFECTIVE DATE:** August 21, 2002

**SUPERSEDES:** NEW

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**PURPOSE**

This policy will help assure that adequate reserve balances are maintained to reasonably cover potential budget shortfalls for funded and active projects; to reduce the financing costs associated with the issuance of short and long-term debt to fund capital projects; and to provide direction on the use of uncommitted or remaining capital project appropriations.

**AUTHORITY**

This policy is authorized by action of the Hillsborough County Board of County Commissioners.

**POLICY STATEMENT**

Appropriations for a capital project deemed not needed to complete that project should be appropriated in the following order.

1. In accordance with bond covenants, grant contracts, statutory provisions, or other legal requirements, maintain a contingency balance within each subfund sufficient to allow completion of currently approved capital projects. This contingency balance (the sum of Allocated Funds for Future Capital Projects, Allocated Funds for Future Land Acquisition and Reserve for Future Capital Outlay) shall be computed as follows:

On an all years basis, the contingency balance for capital projects within any subfund shall equal at least 10% of the subfund's total all years appropriation less the sum of actual all years expenditures, all reserves, and all years appropriations for allocated funds for future land acquisition and future capital projects.

2. Once contingency balance requirements have been met, remaining capital project appropriations may be used to reduce outstanding debt within the applicable program if permitted by bond covenants and if doing so does not create an economic or financial loss.
3. If the requirements in 1) and 2) above have been met, remaining funds may be used to initiate new projects.
4. Depending on the original funding source, if no unfunded needs currently exist, if no other requirements are specified under bond covenants, grant contracts, statutory provisions or other legal requirements, excess funds shall be added to Reserve for Future Capital

Outlay. If the funds were originally transferred from a tax fund then remaining appropriations may be returned to that tax fund.

Note that any time a budget amendment (either administrative or Board agenda item) is submitted to reduce the total funding for a given project, the amount of the proposed reduction will be deemed to be "remaining" appropriations subject to this policy.

Appropriations associated with projects funded from general allocations for a type of project (i.e. the annual appropriation for road resurfacing, sidewalks, intersection improvements, median barriers, school flashers, etc) will be returned to the allocated funds account established for that purpose and will not be subject to these requirements.

**OVERSIGHT RESPONSIBILITY:** Management and Budget Department

**Approved by:** Board of County Commissioners  
**Approval Date:** 8/21/02