

LUMPKIN COUNTY RESOLUTION NO. 2010-64

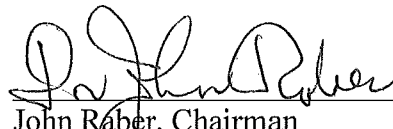
A RESOLUTION TO ESTABLISH A FUND BALANCE POLICY FOR LUMPKIN COUNTY

Whereas, the governing authority of Lumpkin County desires to establish a formal policy for determining the amount of the budget fund balance to be maintained in each budget year as prescribed by the Government Accounting Standard Board Statement No. 54 for all budget periods beginning after June 15, 2010; and,

Whereas, the purpose of the changes in reporting fund balance reduce inconsistency in reports and interpretation among government entities; and provides for a more stable foundation for the use of fund balance information to identify available resources and assess liquidity and financial flexibility;

Now therefore, it is hereby resolved that the fund balance policy set out on the attached Exhibit "A," which is by reference made a part hereof, shall be adopted as the Lumpkin County Fund Balance Policy.

Resolved, adopted and effective this 16th day of December, 2010.



John Raber, Chairman
Lumpkin County Board of Commissioners

Attest:



Ruth A. Bohac
Clerk, Lumpkin County

Lumpkin County Fund Balance Policy

Purpose

This policy establishes guidelines for preserving an adequate fund balance in order to sustain financial stability and to provide prudent management of the County's financial reserves. Fund balance is a surplus of funds accrued from unexpended operating budgets and unanticipated revenues.

Components of fund balance

Fund balance consists of five accounts: nonspendable, restricted, committed, assigned and unassigned. Funding of these accounts follow the order listed.

Nonspendable fund balance consists of amounts associated with inventory, prepaid expenses, and long-term receivables.

Restricted fund balance consists of funds restricted in its use by external parties, constitutional provisions or enabling legislation, for example, E911 fund, Hotel/Motel Tax fund, or a SPLOST fund.

Committed fund balance consists of funds set aside by ordinance or resolution (including annual budget resolutions) for specific purposes.

Assigned fund balance consists of amounts intended to be used for specific purposes with the intent being expressed by the Board of Commissioners or by the County Manager authorized by the Board. Also, elimination of next year's projected budgetary deficit is considered to be an assignment of fund balance.

Unassigned fund balance is anything that does not meet the above definitions and represents fund balance that is available for any purpose.

Policy

The County Manager will report to the Board of Commissioners an estimated, unaudited balance of the unassigned account balance during the annual budget submission process.

Recommendations of the use of these funds would be included as an element of the annual operating budget.