GENERAL FUND BUDGET SURPLUS POLICY

I. POLICY

The Ottawa County Board of Commissioners does not assume that the County will finish each fiscal year with a budget surplus in the General Fund. If such a surplus does exist, the Board will use such surplus funds to meet the identified long-term fiscal goals of Ottawa County. Generally, such funds should not be used toward payment of ongoing operational costs. Ottawa County defines a surplus as the amount of undesignated fund balance that exceeds the lesser of (a) three months of the most recently adopted budget, or (b) 10% to 15% of the General Fund’s expenditures from the most recently completed audit.

II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); Act 156 of 1851, as amended.

III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008


IV. GASB REFERENCES
County of Ottawa

V. PROCEDURE

1. Board will use surplus funds left over at the close of the fiscal year in the following order of priority:

   a. Such funds may be added to the Committed or Assigned Fund Balance of the General Fund for a specified purpose;

   b. The Board may use the funds to fund the county financing tools;

   c. Such funds may be used to address emergency needs, concerns, or one time projects as designated by the Board;

   d. After funding the county financing tools, any remaining fund balance may be used toward a millage reduction factor to be applied to the next levied millage;

2. The Board will designate surplus funds projected during the budgetary process for use in the following order of priority:

   a. The Board may use such funds to grant additional equipment requests which were not originally approved in the proposed budget;

   b. The Board may use such funds to add to the Committed or Assigned Fund Balance of the General Fund for a specified purpose;

   c. The Board may use such funds to fund the county financing tools;

   d. The Board may use the funds in the form of a millage reduction factor;

3. In making its decisions about the use and allocation of such funds on new, unbudgeted projects, the Board will use the following criteria:

   a. Any request for funding must be designed to meet a significant public need. The request must be supportable and defensible;

   b. Any proposal for funding must be cost effective, affordable, and contain a realistic proposal for available, ongoing funding, if necessary to successfully complete the project or provide the service;

   c. Any proposal for funding must be consistent with the Board's Strategic Plan;

   d. Any proposal for funding must be specific, attainable, have measurable results, be realistic, and timely;
e. Any proposal for funding must identify long-term benefits for the general public which would benefit in an identifiable way the “majority” of citizens’

f. In making decisions about the use of such funds, the Board will consider whether the program or goal can be performed better by a person or entity other than the County.

VI. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.