

Jay Fire District

Jay, NY

Fire District Policy and Procedure

Policy Name: Budget and Fund policy

Date Issued: January 14, 2020

Date Effective: January 14, 2020

Revised: January 2020 – format only

Review Date: January 2020

Purpose

The purpose of this Budget and Fund Balance Policy is to properly address, and if necessary, allocate any Unassigned Fund Balances, from the Prior Budget Year that may exceed the amount placed in the Current Year's Budget.

1. Monthly Reporting- In addition to the Monthly Financial Report, the Treasurer will report monthly to the Board of Fire Commissioners (Board) on the District's financial condition, addressing the budget goals set out in the prior year budget, comments if any, on the next year's budget, the spending limitation, and will state his/her basis for the conclusion that the goals set in the budget are or are not being met.
2. Unassigned Funds Balance-
 - 2.1- On or before March 1, in each year the Board will determine if the Unassigned Fund Balance in the prior year's budget exceeds 20% of the tax levy for the prior year, minus reserve appropriations for the current year. The amount the budgets exceed 20% of the Tax levy is defined in this policy as the "threshold".
 - 2.2- In all cases, the reasons for the determination of the Board will be set forth by board resolution, and recorded in the official minutes.
 - 2.3 If there is an excess above the threshold, the Board shall decide one of the following courses of action
 - 2.3.1 Allow the Fund Balance to exceed the Threshold, or
 - 2.3.2 Provide funds to reduce the tax levy for the upcoming budget period, or
 - 2.3.3 Provide for a Capital Project utilizing the Threshold amount, or
 - 2.3.4 Appropriate the Threshold to a Fire District Reserve Fund, or
 - 2.3.5 Any other Legal Course of Action, or
 - 2.3.6 Combination of any of the above

2.4 In all cases, the reasons for the determination of the Board will be set forth in the minutes of the Board.

3. The Budget- annually in the adopted budget, in addition to the regular budget appropriations, the board is to develop realistic revenue and expenditure estimates, along with an accurate estimate of Available Fund Balance at year-end.
4. Estimated Fund Balance – Fund balance represents money accumulated from prior years that the board may retain as a financial cushion in the event of the following

4.1 Unforeseen Financial Circumstances – The Board is allowed to build the Fire Districts Unassigned Fund Balance to ensure an adequate cushion for cash flow issues or unanticipated expenditures, or

4.2 Appropriations to Reserve Funds – Reserve funds are legally reserved to finance future costs for a specified purpose, used as a method of saving money to finance all or part of future infrastructure, equipment and other requirements. Reserve funds can provide a degree of financial stability by reducing reliance on debt for capital expenditures. Funding reserves at appropriate levels and using them for planned expenditures as intended, the Board will give voters and residents an opportunity to review its plan for funding and using reserves by including provisions to add to, or make expenditures from, reserve funds in the proposed budget. Expenditure of reserve fund money is generally guided by the specific statute authorizing the reserve fund and generally can be used only for the purpose the reserve was established.

4.3 Appropriation to Assist Financing Next Year's Budget- The Board will adopt a budget, which places enough Unrestricted Fund Balance to cover operations for next year's budget.

4.4 Contents of Adopted Budgets – The Board take steps to ensure the continued progress and develop budgets that are realistic and structurally balanced. The adopted budget will contain, among other things the following factors;

- 4.4.1 Long-term planning for equipment acquisition and other capital asset additions, the anticipated source of funding such projects, such as the use of reserve or appropriations, and
- 4.4.2 Where appropriate, use of multiyear planning which allows the Board to identify revenue and expenditure trends, set long-term priorities and goals, and avoid large fluctuations in tax rates.

The foregoing resolution was duly put to vote, and on roll call the vote was as follow:

Matt Miller, chairman _____)
Kevin Lincoln, commissioner _____)
Jim Crowningshield, commissioner _____)
Kurt Williams, commissioner _____)
Scott MacDonald, commissioner _____)

This resolution was thereupon duly adopted.

Dated: _____, Jay, NY
Attested: _____, District Secretary