

COUNTY ORDINANCE NO. 02-08

A BILL ENTITLED

AN ACT CONCERNING The Establishment of a Reserved Fund Balance.

FOR THE PURPOSE of establishing and maintaining a fund balance reserve for contingencies of an emergency nature; requiring annual reports on such fund balance; providing for the appropriation of such funds to meet emergency needs; and requiring surplus revenues be used to maintain the reserved fund balance at a set minimum amount;

By enacting a new Subtitle 5 of Title 5 of the Code of Public Local Laws of Queen Anne's County (1996 Ed.).

NOW THEREFORE, BE IT ENACTED BY The County Commissioners of Queen Anne's County, as follows:

SECTION I

BE IT ENACTED that a new Subtitle 5 of the Title 5 of the Code of Public Local Laws be adopted as follows:

TITLE 5. COUNTY FINANCE

Subtitle 5. Reserved Fund Balance for Contingencies-General Fund of the County.

5-501. Definitions.

(a) In General.

In this subtitle, the following terms have the meanings indicated.

(b) General Fund of the County.

“General Fund of the County” means that fund known as the general fund as defined by Generally Accepted Accounting Principles promulgated by the Government Accounting Standards Board.

5-502. Contingency Reserve established.

(a) The County shall maintain a fund balance reserve for contingencies in an amount equal to 7% of budgeted general fund operating revenues.

5-503. Appropriation of Contingency Reserve.

(a) The County Commissioners may, at any time, appropriate funds from the fund balance reserve for contingencies to meet emergency needs.

(b) The County Commissioners, at the time of making such an appropriation, shall publicly state the nature of the emergency and its expected long-term effects on the finances of the County.

(c) Should the County experience a shortfall of revenues that cannot be offset by reasonable reductions in expenditures, an appropriation may be made from the fund balance reserve for contingencies sufficient to offset the shortfall.

(d) In the event funds are appropriated from the fund balance reserve for contingencies, sufficient funds shall be appropriated to such fund balance reserve by the end of the second succeeding fiscal year following such appropriation to return the reserve to the minimal balance requirements of this Subtitle.

5-504. Surplus funds.

(a) Should the general fund of the County have a surplus of revenues over expenditures in any given fiscal year, sufficient funds shall be allocated from such surplus revenues to the reserved fund balance for contingencies to bring the same into compliance with the minimal balance requirements of this Subtitle.

(b) To the extent that surplus funds are not added to the reserve fund, they shall become part of the undesignated/unreserved fund balance of the general fund.

(c) The County Commissioners shall adopt a policy for the use of the undesignated/unreserved fund balance, taking into account the non-recurring nature of such monies.

5-505. Annual report.

(a) The County Finance Director shall, at the time of submission of the comprehensive annual financial report, include information detailing the status of the fund balance reserve for contingencies and the unreserved/undesignated fund balance.

SECTION II

BE IT FURTHER ENACTED that this Act shall take effect on the forty-sixth day following its passage.

Introduced By: Marlene Davis

Date: August 6, 2002

Hearing Date: August 27, 2002

Vote: 3 Yea 0 Nay

Vote Date: September 3, 2002