

Town of East Montpelier Fund Balance Policy

Adopted: January 9, 2012

The Town of East Montpelier's Fund Balance Policy shall consist of the following categories:

Nonspendable Fund Balance: Funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance: Funds that are mandated for a specific purpose by external parties (creditors, grantors, contributors, or laws or regulations or other governments), or by law through constitutional provisions, or enabling legislation.

The East Montpelier Treasurer shall report all restricted funds appropriately in the Town's financial statements. The Treasurer shall report all restricted funds to the Selectboard.

Committed Fund Balance: Funds that are set aside for a specific purpose by the Selectboard by a simple majority vote. The same formal action must be taken to remove or change the limitations placed on the funds.

The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Assigned Fund Balance: Funds set aside with the intent to be used for a specific purpose by the Selectboard.

Any funds set aside as Assigned Fund Balance requires a simple majority vote and shall be recorded in the minutes. The same action is required to change or remove the assignment.

Unassigned Fund Balance: Excess funds that have not been classified in the previous four categories; the unassigned residual amount in the General Fund. It represents resources available for future spending.

The foregoing policy is hereby adopted by the Selectboard of the Town of East Montpelier, Vermont on this 9th day of January, 2012 and is effective as of this date until amended or repealed.