

FUND BALANCE POLICY

Town of East Montpelier

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 voters of the Town of East Montpelier. The same formal action must be taken to remove or change the limitations placed on the funds.


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 by the Selectboard and shall be recorded in the minutes. The same action is required to change or remove the assignment.

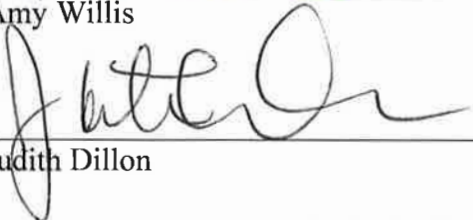
The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the assignment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

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 Fund Balance Policy is hereby adopted by the Selectboard and the Treasurer of the Town of East Montpelier, Vermont, this 1st day of **March, 2021** and is effective as of this date until amended or repealed.


Seth Gardner, Chair


Amy Willis


Judith Dillon


Carl Etnier


Jon Jewett


Town Treasurer Don Welch

[Due to the COVID-19 pandemic the signatures of Selectboard members will be added when available; the lack of signatures does not affect the policy's effective date]