

Stillwater Fire District
Stillwater, New York

Fire District Policy and Procedure

Policy Number: 2 of 2015

Policy Name: Fund Balance Policy

Date Issued: Sept 2015

Effective: Sept 2015

Revised: _____

Review Date: Jan 2017

I. PURPOSE

A. The purpose of this policy is to determine the use of any fund balances which occur in the operation of the Stillwater Fire District.

II. DEFINITIONS

A. .Fund Balance: is the total accumulation of operating surpluses and deficits since the beginning of the fire district's existence.

III. POLICY

A. It is the policy of the fire district to attempt to maintain a reasonable fund balance based on sound accounting principles and guidance from the NYS Comptroller's Office and other governmental sources as well as fulfilling the needs within the fire district.

1. It is the intent of the fire district to avoid fund balances that are too low which would inhibit the mission of the fire district to support and fund fire fighting operations.
2. It is the intent of the fire district to avoid fund balances which are too high or more than 10% of the total tax levy, except within those accounts which have been purposely established as "reserve" accounts with a specific operational intent.
3. The "Reserve Funds" specified by the Stillwater Fire District are those funds that are not available for discretionary appropriation due to their nature:
 - a. Equipment reserve, was established primarily to fund the purchase of replacement fire apparatus, utility vehicles, command vehicles or major operations related equipment.
 - b. Capital reserve, was established primarily to fund capital facility improvements, replacement or repair projects.
 - c. Repair reserve, was established primarily to fund major repair costs to apparatus or to operations related equipment that has not reached its maximum life expectancy.

IV. PROCEDURE

A. Fund balances shall be dealt with in the following manner;

1. Budgeting, fund balances for the purpose of enhancing reserve accounts may be budgeted during the fall budget process.
2. Budget surpluses, funds that are remaining after all expenses are paid may be transferred by resolution to any of the legally established reserve accounts.
3. Funds due to the sale of property or from gifts or donations may be assigned to the reserve accounts by resolution of the Board of Fire Commissioners otherwise they will be deposited in the general fund and assigned to a particular line item account.
4. Contingency line items, an amount not to exceed 10% of operating expenditures may be assigned to a line item, which is neither appropriated or assigned to cover the cost of necessary operational expenses which may increase during the fiscal year without notice or economic uncertainties.
 - a. Contingency funds can also be considered as funds carried over from a previous fiscal year to fund fire district expenditures until tax revenues are deposited in a subsequent fiscal year.
 - b. The Stillwater Fire District shall consider contingency fund carry over to include sufficient funds for expenditures for the first two months (normally January and February) of the subsequent fiscal year.
5. All fund balances shall be properly noted as such in the monthly treasurers report and on the annual budget submission. Each "Reserve" account shall be noted by its title and the amount within each reserve account shall be prominently displayed on both the monthly treasurer's report and the budget submission documents. Contingency funds or unappropriated, unreserved or also known as contingency funds shall be noted as a separate line item on the district's profit and loss budget report and shall show budgeted amount vs. actual in each report.

By Order of Board of Fire Commissioners – Stillwater Fire District

Chairman Board of Fire Commissioners