



## MAINE GOVERNMENT FINANCE OFFICERS ASSOCIATION

SUBJECT:	<b>FUND BALANCE POLICY</b>
ADOPTED:	February 8, 2019
AMENDED DATE:	
REVIEW DATE:	

### I. PURPOSE

The general purpose of this policy is to improve the financial stability of the Maine Government Finance Officers Association (MEGFOA) by protecting itself against emergencies and economic downturns. This policy is also designed to help the MEGFOA prepare for a financial emergency as well as contribute to the continuity of operations. This policy encompasses a minimum range of required fund balance reserves as well as procedures for emergency withdrawal of funds.

### II. DEFINITION

- a. **Fund Balance:** The accumulated equity balance resulting from operations over the years, not designated for a specific purpose by the MEGFOA Executive Board.

### III. OBJECTIVES

- a. The MEGFOA shall strive to maintain a minimum balance of \$20,000 in its unassigned fund balance account.
- b. In the event that fund balance exceeds \$20,000, the MEGFOA Executive Board may approve expenditure of the excess for goods and/or services necessary or desirable to promote the purpose of the Association.
- c. In the event that funds are needed for an emergency purpose and the fund balance does not exceed \$20,000; the MEGFOA Executive Board may approve such emergency expenditure with a majority vote provided the total needed does not exceed the current Fund Balance level. The “emergency” motion shall include plans for restoring the fund balance as prescribed in section III (a).

### IV. ANNUAL REVIEW

It is the intent of the MEGFOA Executive Board to review this policy annually and update as necessary.