

LAKE COUNTY
BOARD OF COUNTY COMMISSIONERS

POLICY

Title: **Economic Stabilization Reserve Policy**

Number:

Cancels:

Approved:

I. OBJECTIVE

A reserve for cash balance to be carried forward, as authorized by Florida Statutes, may be budgeted each year to ensure that sufficient cash is available in the following year to meet the County's obligations until revenues are anticipated to be available. In addition, the reserve protects the County's essential service programs and funding requirements during periods of economic downturn, or any other unforeseen catastrophic costs not covered in the budget.

II. DEFINITIONS AND REFERENCES

A. Section 120.01(2)(C)2, Florida Statutes

B. Government Finance Officers Association (GFOA) Recommended Practices, 2002

III. DIRECTIVES

A. Because most of the ad valorem (property) tax is typically received and receipted into the General Fund in December, and because State revenues are also received at least one month later than actual collections, it is incumbent that the General Fund maintain a reserve sufficient to pay for ongoing operating expenses at the beginning of the following budget year.

B. It is a goal that the General Fund will strive to maintain an unreserved fund balance of no less than ten percent (10%) of the total budget. Best practices would indicate a balance of between 10% and 17% (two months of expenses) would be preferable.

IV. RESERVATION OF AUTHORITY

The authority to issue or revise this policy is reserved for the Board of County Commissioners.

BOARD OF COUNTY COMMISSIONERS
LAKE COUNTY, FLORIDA

Welton G. Cadwell, Chairman

This _____ day of _____, 2003.

ATTEST:

James C. Watkins, Clerk of the
Board of County Commissioners
of Lake County, Florida

Approved as to form and legality:

Sanford A. Minkoff
County Attorney