	<b>CITY OF TRAVERSE CITY</b> POLICY TITLE: General Fund Balance	POLICY NO: CC-056
		SUBMITTED BY: City Commission Ad Hoc Committee
		APPROVED BY:
Adopted Date: December 18, 2017 Effective Date: December 18, 2017 Supersedes No: N/A Procedure Reference No: Page 1 of 2		HISTORY: Initial Adoption Date: Dec. 18, 2017 Amended Date: Amended Date:

I hereby certify that this Policy was adopted by the City Commission of the City of Traverse City at its Regular Meeting held on December 18, 2017, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City Michigan.

  
\_\_\_\_\_  
Benjamin Marentette, MMC, City Clerk

I. PURPOSE:

The purpose of the City of Traverse City’s (“City”) Fund Balance Policy is to provide guidance and parameters to the City Commission and to staff concerning the acceptable maximum and minimum unassigned balance in the City’s General Fund and to provide a mechanism to increase or decrease the fund balance should it be below or above the acceptable parameters.


II. DEFINITION:

For purposes of this Fund Balance Policy, the General Fund is considered to be only the General Operating Fund of the City and is not to be confused with the more inclusive category of governmental funds which includes the General Fund and is commonly referred to as the GASB 54 General Fund.

III. APPLICATION

Each year in the “Management’s Discussion and Analysis” section of the annual audit report, a calculation of the unassigned fund balance for both the GASB 54 General Fund and the City’s General Operating Fund shall be provided. It is the unassigned fund balance of the City’s General Operating Fund which shall be of note and importance.

IV. POLICY

	<b>CITY OF TRAVERSE CITY</b> POLICY TITLE: General Fund Balance	POLICY NO: CC-056
		SUBMITTED BY: City Commission Ad Hoc Committee
		APPROVED BY:
Adopted Date: December 18, 2017 Effective Date: December 18, 2017 Supersedes No: N/A Procedure Reference No: Page 2 of 2	HISTORY: Initial Adoption Date: Dec. 18, 2017 Amended Date: Amended Date:	

The City Commission desires to have a minimum unassigned fund balance that will not go below 15% of General Operating Fund expenditures. Should the unassigned fund balance go below the 15% level, the City Commission in conjunction with City Staff shall develop a plan for bringing the unassigned fund balance up to at least that level. An exception to this requirement would be the desire of the City Commission for use of funds for matching a grant with a time limit on the expenditure of the grant proceeds. The city Commission desires to have a maximum unassigned fund balance that will not exceed 20% of the General Operating Fund expenditures. Should the unassigned fund balance go above the 20% level, the City Commission, in conjunction with staff, shall develop a plan for utilization of those funds to bring the unassigned fund balance back down to the 20% level. An exception to this requirement would be the desire of the City Commission to plan the use of the funds for a future specific purpose within a specific timeline.