

FISCAL MANAGMENT

I. INTRODUCTION

Purpose - The purpose of this policy is to provide guidance for the County Commissioners, Elected Officials, Agency Directors and Department Heads.

Legal Authority - The Board of Commissioners has the overall responsibility for establishing policies to protect and conserve the financial resources of the county government.

Description - The policies consist of goals and objectives to assist and guide county agencies in the day-to-day operation of county government.

II. GENERAL POLICIES

- A. The County Administrator should seek the ideas and input of the county employees.
- B. The expenditures for one fiscal year should be paid from the budget of the same fiscal year.
- C. The County should record its fixed assets.
- D. The County should issue a Consolidated Annual Financial Report.

III. REVENUE POLICIES

Goals

- A. The mix of revenue sources (taxes, user charges, grants, etc.) should reflect what the people of Cass County and Michigan want.
- B. The revenue structure should be based on stable sources of funds in order to eliminate budget instability and to reduce public criticism.
- C. The County should seek Federal, state, and private foundation grants.
- D. The revenue collection system should be as cost efficient as possible.

Objectives

- 1. Develop written policies relating to the balances and retained earnings of the funds of the County.
- 2. Review the collection of receivables.
- 3. Review internal controls.
- 4. Review and update investment policy.

IV. EXPENDITURE POLICIES

Goals

- A. The expenditures should reflect the mix of public services that the people of Cass County and Michigan want.
- B. The expenditures should be less than the revenues in order to provide financial strength and stability.
- C. Services should be provided if quality can be insured through an adequate level of funding.

Objectives

- 1. Include performance data in the annual budget process.
- 2. Consider ways to obtain services cost efficiently.

V. CAPITAL EQUIPMENT POLICY

Goals

- A. To ensure the proper recording of capital equipment and improvements purchased by the County of Cass in the conduct of its business.
- B. To allocate the cost of capital equipment and improvements purchased to the Departments directly benefiting from the purchase.
- C. To self-finance the purchase of County vehicles and large computer purchases to utilize existing County resources and to reduce financing fees and interest paid to outside parties.
- D. To maintain an accurate and current inventory of capital equipment and improvements.

Objectives

1. Establish a "minimum capitalization" policy. Generally, capital equipment and improvements over \$20,000 should be recorded as capital expenditures, while items less than \$20,000 should be recorded in supply or repair accounts.
2. Maintain a capital equipment and improvements inventory listing as required by generally accepted accounting principles.
3. Budget and account for capital equipment and improvements less than \$10,000 directly in the Department (s) benefiting from the purchases.
4. For capital computer equipment greater than \$10,000, budget and account for these purchases in the Office Equipment and Computer Pool Fund (#664). Charge the Department (s) benefiting from these purchases annual lease payments sufficient to cover the principal and imputed interest of the purchases.
5. For County vehicles, budget, and account for these purchases in the Motor Pool Fund (#661). Charge the Department (s) benefiting from these purchases with annual lease payments sufficient to cover the principal and imputed interest of the purchases.
6. Budget and account for improvements to County buildings which benefit many County Departments in the Public Improvement Fund (#245). Examples of this type of expenditure include American with Disabilities Act improvements and the demolition of the old County Jail.
7. Budget and account for capital equipment and improvements made in an Enterprise, Special Revenue, or Internal Service Fund directly in the respective fund.
8. Budget and account for the purchase and/or construction of major capital facilities in a Capital Project Fund. Establish a separate fund for each project being considered. Examples of this type of expenditure include construction of a new Animal Shelter.
9. Record depreciation expense on capital equipment and improvements made in an Enterprise, or Internal Service Fund. Do not record depreciation expense in other governmental funds.
10. Establish capital equipment replacement reserves in the various Funds to reduce the need for large one-time expenditures.

ADOPTED: 01/19/95

LAST AMENDED: 11/06/2008