



NHGFOA

# NEW HAMPSHIRE GOVERNMENT FINANCE OFFICERS ASSOCIATION ADMINISTRATIVE POLICY

## SUBJECT: FUND BALANCE POLICY

- I. **STATEMENT** – The general purpose of this policy is to improve the financial stability of the NHGFOA by protecting itself against emergencies and economic downturns. This policy is also designed to help the NHGFOA 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. **DEFINITIONS**

*Fund Balance* – The accumulated equity balance resulting from operations over the years. This is the difference between fund assets and liabilities.

III. **PROCEDURE**

- A. **Fund Balance Minimum** - The NHGFOA shall strive to maintain a minimum balance of \$40,000 in its fund balance account.
- B. **Excess Funds** – In the event that the fund balance exceeds \$40,000, the NHGFOA Executive Committee may approve expenditure of the excess, outside of the annual budget, for goods and/or services necessary or desirable to promote the purpose of the Association.
- C. **Emergencies** – In the event that funds are needed for an emergency purpose and fund balance does not exceed \$40,000, the NHGFOA Executive Committee may approve such emergency expenditure with an affirmative vote of at least 2/3<sup>rd</sup> of the voting members.

*It is the intent of the NHGFOA to review this policy annually and update as necessary.*

Adopted January 17, 2008, Revised September 1, 2011, Reviewed January 9, 2014.