

Operating Budget Policies

Purpose

The operating budget policies ensure that the Township's annual operating expenditures are consistent with past expenditures and respond to long-term objectives rather than short-term benefits. The policies allow the Township to maintain a stable level of service, expenditures and tax levies over time. These policies are most critical to programs funded with property tax revenue because accommodating large fluctuations in this revenue source can be difficult.

Policy

The Township will always adopt a balanced budget for the General Fund, Road and Bridge and Fire and Rescue. The definition of a balanced budget is that budgeted revenues equal budgeted expenditures and thus, creating no change to the fund balance for the fund. The Township's other funds may be unbalanced based on the timing of revenues and expenditures.

The Township will pay for current expenditures with current revenues.

The Township will not budget to accrue future revenues.

The Township will avoid postponing expenditures, rolling over short-term debt and using reserves to balance the operating budget.

To protect against unforeseen events, the Township will budget a contingency and maintain reserves according to the Township's investment and reserve policies.

The Township staff will monitor revenues and departmental expenditures to adhere to their budgeted amounts. Line items within an activity may be overspent as long as the total budget is not overspent. Only with Town Board's approval can an activity be overspent and only if funding is available.