

TOWN OF LYMAN

Unassigned Fund Balance Policy

Purpose

The Board of Selectpersons recognizes the importance of maintaining an appropriate balance of unassigned fund balance. The maintenance of an appropriate level of funding lessens the need for borrowing, protects the Town's credit rating, and provides the funds necessary to meet the Town's financial operating obligation.

Policy

The unassigned fund balance shall be an amount equal to at least 25% of the total annual budget comprising the proposed operating budget to be voted on at Town Meeting, the County assessment, the school assessments, and the estimated property tax abatements and Overlay.

When the unassigned fund balance reaches the established goal set forth above, any excess funds may be used as follows, subject to approval by the voters:

- To stabilize tax rate growth;
- To fund capital reserve accounts;
- To fund a contingency reserve fund for nonrecurring or extraordinary unanticipated expenditures.

Approved by the Lyman Board of Selectpersons on October, 21, 2013