RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SAN ANSELMO
ADOPTING FINANCIAL POLICIES FOR THE 1990-91 FISCAL YEAR

WHEREAS, the Town Council has determined that it is appropriate to document its financial policies, and

WHEREAS, the Council directed the Town Administrator to review the recommendations and comments of the Long Term Finance Committee and Council comment regarding the preparation of and drafting of these financial policies,

NOW, THEREFORE, BE IT RESOLVED, that the Council adopts the attached financial policies on behalf of the Town of San Anselmo.

I certify the foregoing resolution was duly adopted at a regular meeting of the San Anselmo Town Council held on January 22th, 1991, by the following vote:

AYES: Colteaux, Kanis, Zaharoff

NOES: Walsh, Chignell

ABSENT: None

Caroline Foster, Town Clerk
ATTACHMENT A: 1990-91 TOWN FINANCIAL POLICIES

1. FUNDS.

The Town shall establish and maintain the following funds for the purpose of property accepting revenue and accounting for expenditures. All funds are created, amended or deleted by formal action of the majority of the Town Council, and all transfers between funds must be approved by formal action of the majority of the Town Council.

a. General Fund.

The General Fund of the Town of San Anselmo is the primary fund into which revenues and expenditures are attributed for budgeting and accounting purposes, and from which daily operating expenditures occur.

b. The Capital Reconstruction Fund.

The Capital Reconstruction Fund of the Town of San Anselmo is separate from the General Fund, and receives its revenues from the General Fund as approved by Council. The Capital Reconstruction Fund is created to provide a means for maintaining the Town's fixed asset investments. Any project which affects a fixed asset valued at $2,000 or more, or any non-fixed asset over $25,000 may be considered for inclusion in the Capital Reconstruction Fund based on priorities established by the Town Council.

c. The Equipment Purchase and Replacement Fund.

The Equipment Purchase and Replacement Fund of the Town of San Anselmo is separate from the General Fund, and receives its revenues from the General Fund as approved by Council. This fund is created to provide a means for maintaining the Town's non-fixed asset investments. Any piece of equipment or tool which has a value of between $2,000 and $25,000 may be considered for inclusion in the Equipment Purchase and Replacement Fund based on the priorities established by the Town Council.
d. **The Emergency Reserve Fund.**

The Emergency Reserve Fund of the Town of San Anselmo is separate from the General Fund, and receives its revenues from the General Fund as approved by Council. This fund is created to provide a means for continuing to provide Town services during emergencies. This fund will contain no more than $100,000 and will be held in reserve only for emergency expenditures as approved by a majority of the Town Council, or the Town Administrator, until a quorum of the Town Council is available to meet.

e. **Other Funds.**

A majority of the Town Council may establish other such funds as may be deemed necessary for the proper conduct of Town business.

2. **ANNUAL CARRYOVER.**

For the purpose of these financial policies, annual carryover shall mean the incremental difference between budgeted and actual revenues and budgeted and actual expenditures at the close of each fiscal year. If a positive annual carryover balance exists, its shall be distributed as follows:

a. **Sixty percent (60%) to the Capital Reconstruction Fund.**

b. **Twenty percent (20%) to the Equipment Purchase and Replacement Fund.**

c. **Twenty percent (20%) to the Emergency Reserve Fund until this fund achieves a maximum accrual of $100,000. At that time of maximum accrual, seventy percent (70%) shall be distributed to the Capital Reconstruction Fund, and thirty percent (30%) shall be distributed to the Equipment Purchase and Replacement Fund.**

3. **APPROPRIATIONS.**

The Town Council shall have the sole authority to appropriate funds and adopt budgets for those funds on behalf of the Town of San Anselmo.
4. TRANSFERS.

The Town Council shall have the sole authority to approve transfer between funds on behalf of the Town of San Anselmo.

5. ACCEPTANCE OF MONEY AND GIFTS.

The Town Council shall have the sole authority to accept or reject all grants of money and gifts from individuals, corporation and/or other government entities on behalf of the Town of San Anselmo.

6. SETTING OF EMPLOYEE SALARIES AND BENEFITS.

The Town Council shall have the sole authority to set employee salaries and benefits no less than once per 12 month period.

7. ANNUAL REVIEW OF TOWN FINANCIAL POLICIES.

Before annual budget deliberations, the Town Council shall review and adopt by resolution financial policies to guide the governing of the Town's general financial practices and procedures.

8. ANNUAL AUDIT.

The Town Council shall review and accept the annual audit and internal controls report of the Town of San Anselmo, after study and comment by the Town Administrator, at a regularly scheduled Council meeting.

9. OPERATIONS AUDITS.

Periodic operation audits of departmental revenue and expenditure practices shall be conducted at the direction of the Town Administrator. Any discrepancies shall be noted and corrected by the Town Administrator, and reported to the Town Council in closed or open session, as appropriate.

10. INTEREST ACCRUAL

The Town's unexpended revenues shall be placed in interest bearing accounts until expended, and the interest generated by those unexpended revenues shall be
distributed proportionally among the funds of the Town of San Anselmo on a periodic basis.

11. FEES

The Town Council shall have the sole authority to set fees charged for services rendered no less than once per 12 month period.
TOWN OF SAN ANSELMO
Staff Report
January 18, 1991

TO: Town Council
FROM: Jean A. Camuglia, Town Administrator
SUBJECT: ADOPTION OF 1990-91 FINANCIAL POLICIES

Recommendation

That Council adopt a resolution establishing financial policies for fiscal year 1990-91.

Background

The issue of financial policies was introduced to the Town Council at the meeting of January 8, 1991 as part of the discussion regarding the Long Term Finance Committee's recommendations. Council deferred adoption of the resolution to the meeting of January 22, 1991 to allow for further consideration of the recommended action.

In addition, staff amended the wording of section 7 "ANNUAL REVIEW OF TOWN FINANCIAL POLICIES" on page 3 of the policies to include "Before annual budget deliberations,...", as requested by Council on January 8, 1991.

Staff will be happy to respond to any questions Council may have.

Respectfully submitted,

Jean A. Camuglia
Town Administrator

Attachment