ROCKDALE COUNTY FINANCIAL POLICY

OVERVIEW

This document establishes policies of overall financial management, budget development, and fiscal administration for the County of Rockdale. Included are statements and principles designed to guide the County in maintaining its financial stability.

While these policies will be updated periodically, they provide the basic framework for many of the financial decisions that the County will address. They support long-term planning and enhance the County's effectiveness.

This document discusses the most important elements of financial management in one comprehensive centralized format and is organized into the following areas of discussion:

- General Financial Principles
- Operating Budget
- Revenues
- Expenditures
- Financial Reporting
- Annual Review and Update

GENERAL FINANCIAL PRINCIPLES

It is the overall policy of the County of Rockdale to:

- Provide financial information in a relevant, thorough, timely fashion, and in a format that effectively communicates financial status to the Board of Commissioners, citizens, and County employees.

- Manage its financial resources in a responsible and planned manner.

- Establish and maintain prudent fund balance levels.

- Maintain financial reporting in compliance with current governmental accounting standards.

- Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.

- Promote constructive and proactive financial decision making.

- Allow for uncertainties and maintain a posture of financial flexibility.

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• Develop programs in a manner that supports the County's long-term ability to cover costs and provide the level and quality of service required by its citizens.

• Manage debt responsibly.

OPERATING BUDGET

• The budget will be adopted by the Board of Commissioners no later than December 31st of each year.

• A balanced provisional operating budget will be presented to the Board of Commissioners for review and adoption with total projected expenditures not exceeding total estimated revenues. Should it be necessary, the Board of Commissioners may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.

• One-time revenue sources are not to be relied upon to fund ongoing operations.

• Budgetary control is maintained at the fund level:

- The Finance Director may make budget transfers between programs or departments as long as those changes do not increase overall appropriations within a given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through Board of Commissioners action.

- Department heads are held directly responsible and accountable for developing and managing their operational budgets. Their level of control is held at the department level. Departments that operate programs among different funds are limited to the appropriation levels within any one fund.

• Operating expenditure appropriations not spent during the fiscal year lapse at yearend, except for:

- Encumbrances or commitments made during the fiscal year that have not been completed at year-end.

- Appropriations for capital improvement projects and ongoing grants with a life-cycle beyond one year.

• Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The Comprehensive Annual Financial Report (CAFR) presents County's finances on a generally accepted accounting principles (GAAP) basis and the County's budget is prepared in conformance with these standards.

REVENUES

• The County will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.

• The County will seek out, apply for, and effectively administer federal, state, and other grants that address the County's current operating and capital priorities.

• Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the County Board of Commissioners at least annually.

• Operating departments are to review existing fees periodically and recommend adjustments, if necessary, to ensure they reflect all direct and reasonable indirect costs of providing such services.

• Enterprise operations will be self-supporting and shall reimburse the General Fund for any and all material and services provided on their behalf.

EXPENDITURES

• Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.

• The County will conduct a mid-year financial status review annually to determine if projected revenues and expenditures meet the target level. If an operating deficit is projected at year-end, the County should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of necessary and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.

• The County should implement a formal purchasing system, principles, and guidelines to ensure that expenditure levels are kept in check in the course of any fiscal year.

FINANCIAL REPORTING

• The Board of Commissioners shall establish and maintain a Finance Department and authorize a Finance Director to act as the County's chief accountant. The Finance Director shall accept all revenues, make disbursements, and prepare the financial statements of the County on behalf of the governing authority.

• The County will establish and maintain a high standard of accounting, auditing and reporting practices. Accounting standards shall conform to Generally Accepted Accounting Practices (GAAP) as promulgated by the Government Accounting Standards Board (GASB).

• An annual financial audit will be performed by an independent public accounting firm familiar with government activities. The independent auditor will issue an audit opinion to be included in the County's Comprehensive Annual Financial Report (CAFR). Additionally, the auditor will present the CAFR and discuss audit findings to the Board of Commissioners.

• The County is encouraged to submit the Annual CAFR to State and/or Government Finance Professional organization (Government Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting) for independent review and evaluation.

• Internal financial status reports are to be issued on a periodic and timely basis – no less than quarterly and be made readily available Countywide.

• The County is to record the depreciation equipment, buildings and facilities, and infrastructure as follows and in line with internally established capitalization guidelines:

Capitalization Thresholds

Land purchases at any value

Equipment - $5,000

Buildings and facility improvements - $25,000

Infrastructure - $100,000

Depreciation

Depreciation will be recorded on a straight-line basis over the following estimated useful lives:

Equipment 3 - 10 years

Site Improvements other than buildings 30 - 50 years

Buildings 50 years

Infrastructure 30 - 100 years

ANNUAL REVIEW AND UPDATE

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

Approved this _____ day of September 2016.

ROCKDALE COUNTY, GEORGIA

BOARD OF COMMISSIONERS

By: _____

Richard Oden, Chairman and CEO

By: _____

Osborn Nesbitt, Sr., Commissioner

By: _____

Doreen Williams, Commissioner

Attest:

By: _____

Jennifer Rutledge, County Clerk