

Local Government General Fund Carryover Limitations

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10-5-113. Accumulation of retained earnings or fund balance -- Limit as to general fund -- Reserve for capital improvements.

- (1) A town may accumulate retained earnings or fund balances, as appropriate, in any fund.
- (2) **The accumulation of a fund balance in the town general fund may not exceed 75% of the total revenue of the town general fund for the current fiscal period.**
- (3)
 - (a) The town council may, in a budget year, appropriate from estimated revenue or excess fund balance in the town general fund to a reserve for capital improvements:
 - (i) for the purpose of financing future specified capital improvements; and
 - (ii) in accordance with a formal long-range capital plan adopted by the governing body.
 - (b) The reserves described in Subsection (3)(a) may accumulate from year to year in a capital improvements fund until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

10-6-116. Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital improvements.

- (1) (a) A city may accumulate retained earnings or fund balances, as appropriate, in any fund. With respect to the city general fund only, any accumulated fund balance is restricted to the following purposes:
 - (i) to provide working capital to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other applicable revenues are collected, thereby reducing the amount the city must borrow during the period;
 - (ii) to provide a resource to meet emergency expenditures under Section 10-6-129; and
 - (iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues.
 - (b) Notwithstanding Subsection (1)(a)(i), a city may not appropriate a fund balance for budgeting purposes except as provided in Subsection (4).
 - (c) Notwithstanding Subsection (1)(a)(iii), a city may not appropriate a fund balance to avoid an operating deficit during any budget period except as provided under Subsection (4), or for emergency purposes under Section 10-6-129.
- (2) **The accumulation of a fund balance in the city general fund may not exceed 25% of the total revenue of the city general fund for the current fiscal period.**
 - (3) If the fund balance at the close of any fiscal period exceeds the amount permitted under Subsection (2), the excess shall be appropriated in the manner provided in Section 10-6-117.
 - (4) Any fund balance in excess of 5% of the total revenues of the city general fund may be utilized for budget purposes.
 - (5) (a) Within a capital improvements fund, the governing body may, in any budget period, appropriate from estimated revenue or fund balance to a reserve for capital improvements for the purpose of financing future specific capital improvements, under a formal long-range capital plan

adopted by the governing body.

- (b) The reserves described in Subsection (5)(a) may accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
- (c) Disbursements from reserves described in Subsection (5)(a) shall be made only by transfer to a revenue or transfer account within the capital improvements fund, under a budget appropriation in a budget for the fund adopted in the manner provided by this chapter.
- (d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this chapter relating to execution and control of budgets.

17-36-16. Retained earnings -- Accumulation -- Restrictions -- Disbursements.

- (1) (a) A county may accumulate retained earnings in any enterprise or internal service fund or a fund balance in any other fund.
- (b) Notwithstanding Subsection (1)(a), use of the county general fund shall be restricted to the following purposes:
 - (i) to provide cash to finance expenditures from the beginning of the budget period until general property taxes, sales taxes, or other revenues are collected;
 - (ii) to provide a fund or reserve to meet emergency expenditures; and
 - (iii) to cover unanticipated deficits for future years.
- (2) (a) **The maximum accumulated unappropriated surplus in the county general fund, as determined prior to adoption of the tentative budget, may not exceed an amount equal to the greater of:**
 - (i) **(A) for a county with a taxable value of \$750,000,000 or more and a population of 100,000 or more, 20% of the total revenues of the county general fund for the current fiscal period; or**
 - (B) for any other county, 50% of the total revenues of the county**

general fund for the current fiscal period; and

(ii) the estimated total revenues from property taxes for the current fiscal period.

- (b) Any surplus balance in excess of the above computed maximum shall be included in the estimated revenues of the county general fund budget for the next fiscal period.
- (3) Any fund balance exceeding 5% of the total county general fund revenues may be used for budgetary purposes.
- (4)
 - (a) A county may appropriate funds from estimated revenue in any budget period to a reserve for capital improvements within any capital improvements fund which has been duly established by ordinance or resolution.
 - (b) Money in the reserves shall be allowed to accumulate from fiscal period to fiscal period until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
 - (c) Disbursements from the reserves shall be made only by transfer to a revenue account within a capital improvements fund pursuant to an appropriation for the fund.
 - (d) Expenditures from the capital improvement budget accounts shall conform to all requirements of this act as it relates to the execution and control of budgets.

17B-1-612. Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.

- (1)
 - (a) A local district may accumulate retained earnings or fund balances, as appropriate, in any fund.
 - (b) For the general fund only, an accumulated fund balance may be used only:
 - (i) to provide working capital to finance expenditures from the beginning of the budget year until general property taxes or other

- applicable revenues are collected, subject to Subsection (1)(c);
 - (ii) to provide a resource to meet emergency expenditures under Section 17B-1-623; and
 - (iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues, subject to Subsection (1)(d).
 - (c) Subsection (1)(b)(i) may not be construed to authorize a local district to appropriate a fund balance for budgeting purposes, except as provided in Subsection (4).
 - (d) Subsection (1)(b)(iii) may not be construed to authorize a local district to appropriate a fund balance to avoid an operating deficit during a budget year except:
 - (i) as provided under Subsection (4); or
 - (ii) for emergency purposes under Section 17B-1-623.
- (2) **The accumulation of a fund balance in the general fund may not exceed the greater of:**
 - (a) 100% of the current year's property tax; or**
 - (b) (i) 25% of the total general fund revenues for a district with an annual general fund budget greater than \$100,000; or**
 - (ii) 50% of the total general fund revenues for a district with an annual general fund budget equal to or less than \$100,000.**
- (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under Subsection (2), the district shall appropriate the excess in the manner provided in Section 17B-1-613.
- (4) Any fund balance in excess of 5% of the total revenues of the general fund may be utilized for budget purposes.
- (5) (a) Within a capital projects fund the board of trustees may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital projects for the purpose of financing future specific capital projects, including new construction, capital repairs, replacement, and

maintenance, under a formal long-range capital plan adopted by the board of trustees.

- (b) A local district may allow a reserve amount under Subsection (5)(a) to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.
- (c) A local district may disburse from a reserve account under Subsection (5)(a) only by a budget appropriation adopted in the manner provided by this part.
- (d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this part relating to execution and control of budgets.