

Effective 5/12/2015

11-13-512 Accumulated fund balances -- Limitations -- Excess balances -- Unanticipated excess of revenues -- Reserves for capital projects.

- (1)
 - (a) An interlocal entity may accumulate retained earnings or fund balances, as appropriate, in any fund.
 - (b) For the interlocal entity general fund only, an accumulated fund balance at the end of a budget year 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 11-13-521; or
 - (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 an interlocal entity 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 an interlocal entity 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 11-13-521.
- (2) The accumulation of a fund balance in the interlocal entity general fund may not exceed the greater of:
 - (a) 100% of the current year's property tax collected by the interlocal entity; or
 - (b)
 - (i) 25% of the total interlocal entity general fund revenues for an interlocal entity with an annual interlocal entity general fund budget greater than \$100,000; or
 - (ii) 50% of the total interlocal entity general fund revenues for an interlocal entity with an annual interlocal entity general fund budget equal to or less than \$100,000.
- (3) If the interlocal entity general fund balance at the close of a fiscal year exceeds the amount permitted under Subsection (2), the interlocal entity shall appropriate the excess in the manner provided in Section 11-13-513.
- (4) Any interlocal entity general fund balance in excess of 5% of the total revenues of the interlocal entity general fund may be utilized for budget purposes.
- (5)
 - (a) Within a capital projects fund the governing board may, in a budget year, appropriate from estimated revenue or a fund balance to a reserve account 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 governing board.
 - (b) An interlocal entity 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) An interlocal entity 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 a reserve account described in Subsection (5)(a) shall conform to all requirements of this part relating to execution and control of budgets.

Enacted by Chapter 265, 2015 General Session

