



NEW ENGLAND STATES  
GOVERNMENT FINANCE OFFICERS ASSOCIATION

**ADMINISTRATIVE POLICY**

SUBJECT:	<b>UNDESIGNATED FUND BALANCE POLICY</b>
ADOPTED:	January 8, 2010
AMENDED DATE:	n/a
REVIEW DATE:	

**I. PURPOSE**

The general purpose of this policy is to improve the financial stability of the New England States Government Finance Officers Association by protecting itself against emergencies and economic downturns. This policy is also designed to help the NESGFOA prepare for a financial emergency as well as contribute to the continuity of operations. This policy encompasses a minimum range of required fund balance reserves as well as procedures for emergency withdrawal of funds.

**II. DEFINITION**

- a. **Undesignated Fund Balance:** The accumulated equity balance resulting from operations over the years. This is the difference between assets and liabilities.

**III. OBJECTIVES**

*The NESGFOA shall strive to maintain a minimum balance of \$30,000 in its fund balance account.*

In the event that fund balance exceeds \$30,000, the NESGFOA Executive Board may approve expenditure of the excess for goods and/or services necessary or desirable to promote the purpose of the Association.

In the event that funds are needed for an emergency purpose and fund balance does not exceed \$30,000, the NESGFOA Executive Board may approve such emergency expenditure with a majority.

**IV. ANNUAL REVIEW**

It is the intent of the NESGFOA Executive Board to review this policy annually and update as necessary.