

RESOLUTION NO. 202-2016

**RESOLUTION OF THE MAYOR AND TOWNSHIP COMMITTEE OF THE TOWNSHIP OF
HARRISON AUTHORIZING AND ADOPTING
USE OF A SURPLUS POLICY**

Whereas, the Township recognizes the need to memorialize its use of surplus policy and provides the following based on best practices:

Whereas, The Township acknowledges it is subject to the oversight of the New Jersey Department of Community Affairs, the State Local Finance Board and various New Jersey Statutes with regard to the budget process and usage of surplus.

Purpose:

Whereas, The Township's goal with each annual budget is to achieve the necessary services for its residents and taxpayers while doing everything possible to minimize the fiscal impact upon them. The Township's Governing Body, Administrator, Chief Financial Officer and external professionals focus on providing a fiscally sound budget and go through an extensive budget preparation process. During this budget process, the Administrator, CFO and external professionals review budget options with the Governing Body, including the use of surplus to balance budget operations. The CFO, with assistance from the Township's Registered Municipal Accountant, provide the working group with year-end unaudited surplus amounts for each applicable fund in order to determine the amount of surplus that could be reasonably utilized to balance the following year's operational budget.

Reasonable Limits:

Whereas, While the State of New Jersey does not provide a minimum or maximum level of fund balance (surplus) for each fund, the Township establishes certain reasonable limits as noted:

Use of Surplus in Subsequent Budget Goal #1: Less than 65% of current surplus

Use of Surplus Goal #2: Unencumbered balance equal to 5-10% of current budget

The Township believes these goals will lend to sound budgetary practices to regenerate surplus, provide reserve amounts for any contingencies and/or unexpected emergency expenditures. In addition, these policy goals should also buffer the Township in the event of a revenue shortfall and allow for sufficient cash flow throughout the fiscal year.

Professional Service Providers:

Whereas, The Township recognizes the need to enlist its professional service providers to ensure a level of fiscal understanding that will guide the Township's decisions. The Township shall solicit the guidance from its Registered Municipal Accountant/Auditor, Financial Advisor and Bond Counsel when applicable. Consultations with these appointed officials shall be sought, when necessary, to ensure compliance with New Jersey budget statutes and any other matters relating to the annual budget process.

THEREFORE BE IT RESOLVED, The Township will adhere to all applicable New Jersey budget statutes; adhere, when possible, to the reasonable limits and goals set forth herein; and finally, consult with its professional service providers to ensure the residents and taxpayers of the Township receive maximum benefit from the usage of fund balance/surplus in the subsequent municipal budget.

ADOPTED at a regular meeting of the Mayor and Township Committee of the Township of Harrison, County of Gloucester, State of New Jersey held on October 3, 2016 at 7:30 p.m.

BY: _____
DON HEIM, DEPUTY MAYOR

ATTEST:

DIANE L. MALLOY
Municipal Clerk

ROLL CALL VOTE				
COMMITTEE MEMBER	AYES	NAYS	ABSTAIN	ABSENT
Clowney				
Diggons				
Heim				
Williams				

CERTIFICATION

I hereby certify that the above resolution is a true copy of a resolution adopted by the Township Committee of the Township of Harrison, County of Gloucester, State of New Jersey, at a regular meeting held by the same on October 3, 2016 at 7:30 p.m. in the Harrison Township Municipal Building, 114 Bridgeton Pike, Mullica Hill, New Jersey 08062.

DIANE L. MALLOY
Municipal Clerk