

## REVENUE POLICIES:

### Introduction:

Sisters-Camp Sherman Fire District raises revenues to fund operations through taxes and other sources. This policy outlines objectives.

### Appropriate Fund Balance

The Finance Manager shall prepare an analysis of each operating fund every year, which recommends the appropriate fund balance for the fund. The Finance Manager shall take into account cash flow requirements, future capital needs, and significant revenue and expenditure trends. The Budget Committee and District Board shall amend and approve the recommended appropriate fund balance through adoption of the annual budget.

Generally, the fund balance levels are dictated by:

- a) Cash flow requirements to support expenditures;
- b) Susceptibility to emergency or unanticipated expenditures;
- c) Credit worthiness and capacity to support debt service requirements;
- d) Legal or regulatory requirements affecting revenues, expenditures, and fund balances;
- e) Reliability of outside revenues.

### Sources of Revenue

The District will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any one revenue source and ensures its ability to provide ongoing service.

### Restricted Revenue

Restricted revenue shall only be used for the purpose legally permissible and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated as such.

### Intergovernmental Revenues

Intergovernmental revenues shall be used to finance only those capital improvements that are consistent with the capital improvement plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts. Intergovernmental revenue restricted for specific operating purposes will be expended consistent with those restrictions.

### Reliance on Property Taxes

In preparing the proposed budget, the Finance Manager shall make recommendations to the Fire Chief regarding options to reduce the District's reliance on property tax revenue.

### Tax and Revenue Anticipation Notes

As a matter of policy, the District will at all times attempt to maintain an ending fund balance at the end of each fiscal year that is at least sufficient to meet the organization's financial needs until November 15 of the following fiscal year.

However, where their use is judged by the Finance Manager to be prudent and advantageous to the District, the District may choose to issue Tax and Revenue Anticipation Notes as a source of internal working capital and cash flow needs.

Before issuing such notes, cash flow projections will be prepared and reviewed by the Fire Chief and the Finance Manager. Tax and revenue anticipation notes may be sold in either a competitive or negotiated sale, subject to authorization and approval by the District Board of Directors.

### Revenue Collection

The District shall manage its revenue collections by actively pursuing collection of all funds owed to the District.

### Grants

The District may pursue grant opportunities; however, before accepting grants, the District will consider the current and future implications of both accepting and rejecting the monies.

In reviewing grants, the Fire Chief and Finance Manager shall evaluate each grant offer and make their recommendation after considering:

1. The amount of matching funds required;
2. In kind services that are to be provided;
3. Length of grant and consequential disposition of service (i.e., is the District obligated to continue the service after the grant has ended); and,
4. The related expenditures including administration, record keeping, and auditing expenditures.

### Transfers

To the extent feasible and appropriate, General Fund transfers to other funds shall be defined as payments intended for the support of specific programs or services. Amounts not needed to support such specific programs or service expenditures shall be transferred back to the General Fund, unless the Board directs the transfer to be used for other purposes.

Transfers for specific programs or projects, or to support special operations, should occur on the basis of cash flow needs of the program or service being supported. A reconciliation of actual transfers against budgeted transfers will be included in the year-end audit process.

#### Inter-fund Loans

For short-term cash deficits, in non-General Fund funds during the course of the year, short-term loans are preferred to advances, except in cases where the receiving fund is legally precluded from paying interest on loans, or where loan transactions would be too numerous and costly to be effective.

Subject to Board approval, the District may engage in borrowing between funds to meet operating capital, cash flow, or other requirements. When inter-fund borrowing occurs, as a matter of policy the Finance Manager will ensure that the appropriate funds are repaid during the same budget year in which they are borrowed. That repayment will include interest in the amount that would have been earned had the inter-fund borrowing not occurred. When appropriate or prudent the Board of Directors may authorize inter-fund borrowing for longer terms.

#### Property Tax Allocations

The property tax base was approved by the voters to support the general services of the District. The Statutory authority to levy property taxes by individual levy was removed through the passage of a constitutional amendment, known as Measure 50. Measure 50 has resulted in a single property tax rate. Local option levies for one to ten years in length can be approved by voters to fund operations.

Each year during the budget process, the District Board declares by resolution where to allocate general property taxes. Every effort shall be made to hold the property tax allocation rates stable for a minimum of two years to improve long-term financial planning and fiscal stability.