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### **A. Fund Balance Overview**

1. The Fund Balance amount on the Balance Sheet is excess county money that has increased or decreased over the years.
2. No state dollars are included in the Fund Balance. Some counties receive county funds during the fiscal year and county expenditures are paid from this fund.
3. In some cases, a surplus is left a fiscal year end, and the local government allows the county to keep this amount.
4. The surplus then will be closed to the fund balance, increasing the amount.
5. The Fund Balance can be placed into an interest bearing account, as in a CD or savings account, or kept in the County Department regular operating account.
6. County Departments make the decision as to where to maintain the Fund Balance based on the amount. Larger amounts are usually in interest bearing accounts.

### **B. Using Fund Balance**

1. County Department can use the Fund balance to cover expenditures that the state will not cover.
2. After the County Department has decided what their needs are and the expected cost, it must be taken to the County Board for approval. O
3. Once approved and written in the board minutes, the County Department can spend the funds in two different ways.
  - a. First, the County Department will ask the Accounting Department to submit a budget revision to include the expected expenditure amount. Once the amount has been budgeted, the County Department can spend the 100% county money.

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- b. Second, the County Department can request from the state office that the amount approved by the county Board be cash-matched. If the amount is approved by the state office, then the County Department would ask the Accounting Department to prepare and submit a cash-match budget. In this situation, the County department can spend twice as much.
- c. For example, the County Department wants to buy new lobby furniture and the County Board approved that \$2,000.00 could be spent and the state office approved that this amount could be cash matched. At this time, the County Department can spend up to \$4,000.00 on lobby furniture.