FY 2013-14 Budget
Financial Policies

Financial Policies

It is best practice to have the City update and adopt its financial polices annually. Willow Park's current financial policy was last adopted in 2008. As part of this year's budget process, staff will be proposing updated financial policies to govern the city's fund balance requirements, investment policy, and expenditure policy. It is staff's intention to make the adoption of the city's financial policies an annual process that occurs in tandem with the adoption of the annual budget.

Fund Balance Policy

The Fund Balance Policy is a document that establishes a classification and strategy for each type of fund used by the city. The city budget is comprised of twenty separate funds. Funds are classified by type as either governmental, or enterprise. The Funds are further classified by reserve type as standard, 60-day, debt service, restricted and emergency. The Fund Policy establishes a strategy for each reserve type. Reserve strategies create rules and goals for each reserve type. Rules are minimum fund balance requirements for each fund that must be met, goals are intended target fund balances. In future years' budgets reaching the reserve strategy goals for each fund will be an established financial policy for the city.

Investment Policy

The Investment Policy establishes how the city's investments will be managed in compliance with the Public Funds Investment Act. The city's Investment Policy establishes clear limits for how the city funds may be invested. In compliance with the Public Funds Investment Act city staff is required to attend bi-annual training in management of public funds.

Expenditure Policy

The Expenditure Policy establishes a clear process for governing city expenditures. The Expenditure Policy establishes internal city guidelines that are stricter than what state law permits regarding city expenditures. State law allows for administrative approval of expenditures of less than $50,000. The Expenditure Policy sets additional limits on capital expenditures requiring advanced budgeting and individual approval of capital expenditures.