

GENERAL FUND CONTINGENCY POLICY

Purpose of General Fund Contingency

Departments in the General Fund are subject to the risk of unplanned, unavoidable expenditures during the year. A pooled General Fund contingency is an efficient way to provide a form of "insurance" against these risks and avoid disruption to important services. This policy describes how the County will operate a pooled contingency and the acceptable uses of the contingency.

Contingency Size

During the annual budget process, the County Executive will recommend for Board approval the size of the General Fund Appropriation for Contingency each year. The size will be based on expectations for the potential of unplanned, unavoidable costs in the normal course doing business during the year.

Acceptable Uses of the Contingency

The contingency is intended to be used for unplanned, unavoidable expenditures incurred in the ordinary course of doing business.

The contingency is not intended to be used for:

- Responding to extreme events like natural disasters or economic downturns. The County maintains reserves that are intended to be used for these kinds of extraordinary events.
- Funding new ideas for programs or services that were not approved during the budget process. Generally, ideas for new programs or services should be evaluated during the regular budget process. Exceptions may include an emergency service need that was not anticipated during the budget process.

Authority to Use the Contingency

Any potential use of contingency must be coordinated with the Office of the County Executive, with recommendation to the Board in the form of an Appropriation Adjustment Request, which would require a four-fifths vote for approval.