

Town of Rockport Undesignated Fund Balance Policy

Purpose

The Board of Selectmen recognizes the importance of maintaining an appropriate level of Undesignated Fund Balance. The maintenance of an appropriate level of funding lessens the need for borrowing, protects the Town's Credit Rating, and provides the funds necessary to meet the Town's financial operating obligation.

Policy

The level of the undesignated fund balance shall be an amount equal to at least 12% of the total annual budget comprising the proposed operating budget to be voted on at Town Meeting, the County assessment, the school assessment, the annual TIF payment, and the estimated Overlay.

Approved by the Rockport Board of Selectmen on December 12, 2005