

## RESOLUTION NO. 1021

### A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POLSON, MONTANA ADOPTING A SPENDING POLICY.

**WHEREAS**, the State of Montana MCA 2-7-504(2) requires accounting methods to be in accordance with generally accepted accounting principles established by the governmental accounting standards board; and

**WHEREAS**, GASB 54 statement released by GASB (General Accounting Standards Board) requires the adoption of a spending policy.

**BE IT RESOLVED**, that the Polson City Commission hereby adopts the following:

#### **Section 1. General Fund**

The City of Polson receives inflows from revenue and other financing sources from numerous sources for use in the General Fund. The Fund will expend those resources on multiple purposes of the local government the intention of this spending policy is to identify the expenditure order of resource categories for the General Fund. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments. When both restricted and unrestricted resources are available in the General Fund, the following spending policy will apply;

- 1<sup>st</sup> Restricted
- 2<sup>nd</sup> Committed
- 3<sup>rd</sup> Assigned
- 4<sup>th</sup> Unassigned

The City Manager, the City Clerk, and City Treasurer, individually have the authority to express assignments in the General Fund.

#### **Section 2. All Special Revenue, Debt Service, Capital Project, and Permanent Funds**

The City of Polson receives inflows from revenue and other financing sources from various sources for use in Special Revenue, Debt Service, Capital Projects, and Permanent Funds. Special Revenue, Debt Service, Capital Project, and Permanent Funds will expend those resources on the specific purpose of the fund. The intention of this spending policy is to identify the expenditure order of resource categories for all Special Revenue, Debt Service, Capital Project, and Permanent Funds. Resources will be categorized according to Generally Accepted Accounting Principles (GAAP) for state and local governments. When both restricted and unrestricted resources are available in a Special Revenue, Debt Service, Capital Project, and Permanent Funds, the following spending policy will apply;

- 1<sup>st</sup> Assigned
- 2<sup>nd</sup> Committed
- 3<sup>rd</sup> Restricted

The City Manager, the City Clerk, and City Treasurer, individually have the authority to express assignments in Special Revenue Funds.

**PASSED AND APPROVED BY THE CITY COMMISSION AND APPROVED BY THE  
MAYOR OF THE CITY OF POLSON, MONTANA, THIS 20<sup>th</sup> DAY OF JUNE, 2011.**

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Mayor Pat DeVries

ATTEST:

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Kala Parker, City Clerk