

DORCHESTER COUNTY, MARYLAND

Fiscal Policies and Procedures - Non-Recurring Revenues

Adopted July 20, 2004

SECTION I - INTRODUCTION

The County Council of Dorchester County, Maryland approved on July 20, 2004, the following policy on non-recurring revenues.

SECTION II - AUTHORITY AND DELEGATION

Article 25, Section 3 of the Annotated Code of Maryland authorizes the County Council to adopt by Resolution administrative acts. Pursuant to Resolution Number 393 of the County Council of Dorchester County, Maryland this policy shall supersede any previously adopted or practiced policy on non-recurring revenues.

SECTION III - PURPOSE

This policy on non-recurring revenues is designed to prohibit the use of one time non-recurring revenues as a funding source for ongoing recurring expenditures.

By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

SECTION IV - APPLICABILITY

This fiscal policy applies to all departments, offices and agencies of Dorchester County, Maryland government.

SECTION V - EXCLUSIONS

None

SECTION IV - POLICY

One-time non-recurring revenues shall only be utilized as a funding source of one-time non-recurring expenditures.

Examples of non-recurring revenues include but are not limited to: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and one-time state legislative sources. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, appropriations into the Strategic Reserve Fund, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without sustainable and offsetting long-term revenue plan.