

TOWN OF HARDWICK

FUND BALANCE POLICY

The general purpose of this policy is to improve the financial stability of the Town of Hardwick by protecting itself against emergencies and economic downturns. This policy is also designed to help the Town of Hardwick take advantage of unbudgeted opportunities, as well as contribute to the continuity of operations. This policy encompasses a minimum range of required fund balance reserves, as well as procedures for emergency withdrawal of funds.

DEFINITIONS

Fund Balance – The accumulated equity balance is as a result of surpluses and deficits over the years. The equity balance is the difference between fund assets and liabilities. Fund Balance may consist of an Assigned Fund Balance, which is that portion of the Total Fund Balance that the Select Board has set aside for a particular purpose and an Unassigned Fund Balance, which is the remaining amount of the Total Fund Balance.

PROCEDURES

A. Fund Balance Minimum- The Town of Hardwick shall strive to maintain a minimum balance of no less than the equivalent of 10% of annual budgeted expenditures in its unassigned fund balance, with a goal of 15%.

B. Excess Funds – In the event that the prior fiscal year unassigned fund balance exceeds the equivalent of 15% of annual budgeted expenditures, the Town of Hardwick Select Board may approve the assignment of the excess unassigned fund balance for goods and/or services necessary or desirable to promote the purpose of the Town. Such approval requires an affirmative vote of at least 3 members of the Select Board. In addition, the Select Board may vote to use a portion of the fund balance the following budget year to reduce the tax rate.

C. Emergencies – In the event that funds are needed for an emergency purpose and the fund balance does not exceed the equivalent of two months of operating expenditures, the Town of Hardwick Select Board may approve emergency expenditures with an affirmative vote of at least 3 members of the Select Board. The “emergency” motion shall include plans for restoring the unassigned fund balance as prescribed in section III (A) herein within two fiscal years.

The foregoing Policy is hereby adopted by the Select Board of the Town of Hardwick, Vermont, this 4th day of December 2025 and is effective as of this date until amended or repealed. This version replaces the prior version adopted May 3, 2018.



Eric Remick, Chair



Ceilidh Galloway-Kane, Vice Chair



Shari Cornish



Tim Ricciardello



Danny Hale