

**Town of Mashpee Board of Selectmen
Policy Number 073**

Unappropriated Cash Available (Formerly “Free Cash”) Policy

I. POLICY

The Town of Mashpee will strive to maintain its annual certified “Unappropriated Cash Available” in the range of five to ten percent (5-10%) of the annual operating budget. It will avoid fully depleting those funds in any fiscal year to ensure the succeeding year’s calculation begins with a positive balance. The Town will make an effort to prioritize its use of “Unappropriated Cash Available” for one-time expenditures and limit its use to fund general, annual operating expenses.

II. PURPOSE

A conservative “Unappropriated Cash Available” policy may positively impact the Town’s credit rating and, consequently, its long term costs to fund major projects. “Unappropriated Cash Available” balances are a widely accepted measure of good financial standing and may be used as an indicator that the Town is controlling spending on an annual basis. It also provides financial means against a sudden loss of a revenue source. This policy serves to ensure resources are available to stabilize finances and sustain operations during difficult economic periods. This resource may be used to finance emergencies or other unforeseen needs.

III. PROCEDURE

The Financial Team will provide the Town Manager with conservative revenue projections at the start of the annual budget cycle. Department Heads will be encouraged to carefully manage their appropriations and produce budget turnbacks whenever possible.

*Adopted by the
Mashpee Board of Selectmen
September 11, 2017
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