



**City of Riverside**  
**BALANCED BUDGET FISCAL POLICY**  
Approved by the City Council on \_\_\_\_\_

**PURPOSE:**

The Government Finance Officers Association (GFOA) recommends that governments adopt a policy that defines a balanced budget, commits to ensuring a balanced budget is maintained in order to provide the best possible services to taxpayers, and provides disclosure when a deviation from a balanced budget occurs.

**POLICY:**

The City shall adopt a biennial structurally balanced budget at an individual fund level. A biennial budget is structurally balanced when, over the course of two fiscal years, ongoing revenues equal ongoing expenditures, and limited duration or one-time revenues are only used for limited-duration or one-time costs.

When developing a biennial balanced budget, the following elements must be taken into account:

- a) The City's reserve policies for individual funds (e.g., General Fund, Liability, Electric, Water and Sewer) must be taken into consideration to achieve or maintain an individual fund's reserve target:
- b) If a structural imbalance occurs or one-time revenues are used, the biennial budget will include a plan to bring revenues and expenditures into structural balance within the biennial budget cycle; and
- c) Appropriated revenues may include transfers from fund balances where such fund balance is expected to exist by the end of the fiscal year preceding the year of the adopted budget, and contingent upon meeting the minimum reserve requirements.