

## Appendix A: One-Time Only Resources Policy

### Use of One-Time-Only Resources Background

Unrestricted one-time-only resources present organizations with temptations that are hard to resist. In the short run it appears more beneficial to allocate such resources to the highest priority public service that would otherwise be unfunded than to restrict them to costs associated with one-time needs and those that will not recur in following years. However, the result of this practice is to expand operational levels and public expectations beyond the capacity of the organization to generate continuing funding. This inevitably produces shortfalls and crises.

Sustaining an ongoing program level by deferring necessary expenditures or by incurring future obligations also inevitably produces shortfalls and crises.

### Policy Statement

It is the policy of the Board that the County will fund ongoing programs with ongoing revenues, and to restrict the allocation of one time revenues to non-recurring expenditures.

Examples of one-time revenues include:

- Proceeds on the sale of capital assets
- Business Income Taxes collected in excess of budgeted revenues
- General Fund ending fund balance in excess of budgeted balance

When the County budgets unrestricted one-time-only resources, the Board will consider setting these funds aside for reserves or allocating them to projects or programs that will not require future financial commitments. The Board will consider the following when allocating these one-time-only resources:

1. The level of reserves set aside as established by these Financial and Budget policies adopted by the Board.
2. The County's capital needs set out in the five-year Capital Improvement Plan or Information Systems Development Plan.
3. One-time-only spending proposals for projects or pilot programs, particularly investments that may result in innovative ideas or technology, long-term efficiencies or savings that do not require ongoing support.
4. Bridge or gap financing for exiting programs for a finite period of time.

### Status

During budget deliberations the Budget Director is responsible for providing a list of sources and uses of one-time-only funds and informing the Chair and the Board on the recommended use of the funds received. With this information, the Board is able to appropriate and direct one time only resources to infrequent and unique expenditures in an effort to achieve compliance with this policy.

## **Appendix B - Budget Note**

There are a number of programs that are funded with one-time-only funding (OTO) for FY 2011. Multnomah County's financial policies address OTO, but the BCC would like a detailed discussion about the use of this resource. The Board directs the Budget Office to schedule a worksession prior to the mid-year state budget rebalance process.

The discussion should include:

- The level of reserves set aside as established by Board policy
- One-time-only spending proposals for projects or pilot programs
- Ramping down or phasing out programs funded by OTO funds
- Bridge or gap financing for existing programs for a finite period of time
- Future funding impacts (i.e. loss of State or Federal funding)
- Best practices
- Survey of surrounding local governments' OTO policies