

Category: 200  
Number: 222  
Adopted: October 1, 2001  
Revised: February 18, 2003

Subject: **DELINQUENT TAX REVOLVING FUND POLICY**

1. PURPOSE: The purposes of this Policy are:
  - 1.1 To formulate a written County policy for making planned annual transfers from the Gratiot County Delinquent Tax Revolving Fund (DTRF) into the General Fund while maintaining adequate reserves within the Delinquent Tax Revolving Fund and to assure the continuation of the self-funding status of the DTRF.
  - 1.2 To self-fund utilizing available resources within the DTRF without borrowing, provided sufficient funds are available.
  - 1.3 This Policy fully recognizes the proposition that unless adequate financial resources remain in the DTRF, it is impossible to predict with any certainty, whether it would be feasible for the County to maintain and to continue the self-funding of the DTRF.
2. AUTHORITY: Gratiot County Board of Commissioners.
3. APPLICATION: This policy applies to the Gratiot County Treasurer.
4. RESPONSIBILITY: It is the Gratiot County Treasurer's responsibility to implement this policy.
5. DEFINITIONS: NONE
6. POLICY:
  - 6.1 Annual Mechanics
    - 6.1.1 On or before July 15<sup>th</sup> of each year, the County Treasurer will determine whether there is available cash and investments on hand within the DTRF. In order to make this determination, the Treasurer will take into account the following:
      - 6.1.2.1 The amounts that have been collected and are on hand in the form of cash and investments, and current projections as to the collections which are expected.
      - 6.1.2.2 Other factors which may affect the ability of the County to continue to self-fund the DTRF.

6.1.2.3 Potential changes in the law authorizing the County to continue the DTRF or in the Federal Tax Laws which might have an impact the maintenance of reserves.

6.1.3 Once the County Treasurer has determined the existence of available funds (or lack thereof) within the DTRF, the County Treasurer along with the County Administrator, shall recommend to the Board of Commissioners the minimum to be held in the DTRF, the minimum of which shall not be less than 2.5 times the prior years' delinquency. The County Treasurer and the County Administrator shall further advise the Board of Commissioners as to any amounts available, above the minimum for transfer to the General Fund, for the next fiscal year beginning October 1<sup>st</sup>.

6.1.4 Fifty (50%) of the actual transfer of cash from the DTRF, if any, to the County's General Fund will be made on or before October 31<sup>st</sup> of each year with the remaining fifty (50%) to be transferred at the discretion of the County Treasurer during the fiscal year.

7. ADMINISTRATIVE PROCEDURES: NONE

8. ADMINISTRATOR/LEGAL COUNSEL REVIEW: The Administrator has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. The County Civil Counsel has determined that this policy as submitted complies with all applicable laws, rules and regulations.

Approved as to Substance:

Approved as to Legal Content:

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Gratiot County Administrator

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Gratiot County Civil Counsel