

Milton Township

Resolution NO.- 2026-R- 3

**A RESOLUTION AUTHORIZING THE APPROVAL OF THE
MILTON TOWNSHIP FUND BALANCE RESERVE POLICY**

WHEREAS, Milton Township (“Township”) is an Illinois Township existing and operating pursuant to the Illinois Township Code, 60 ILCS 1/1-1 *et seq.*; and

WHEREAS, the Trustees of the Township (hereinafter “Town Board”) constitute the governing authority for the Township and possess full power and authority to approve and pass all ordinances, resolutions, rules and regulations necessary for carrying into effect the objects for which the Township was formed, in accordance with the Illinois Township Code; and

WHEREAS, the Town Board finds it necessary and appropriate, as a responsible steward of taxpayer resources, to spend Township Funds in a responsible fashion for the reasonable and necessary needs of the Township; and

WHEREAS, the Township is committed to transparency in its budgeting and appropriating Township resources, to establish a Fund Balance Reserve Policy, to ensure sufficient Funds are available to meet the needs of the Township, without accumulating excessive reserves; and

WHEREAS, the Town Board finds that the adoption of a Fund Balance Reserve Policy will provide guidance to the Board in its Budget and Levy process, while being responsible with taxpayer funds offering transparency in its operations; and

WHEREAS, the Town Board seeks to memorialize the Fund Balance Reserve Policy and to approve the Policy in the form attached hereto and incorporated herein by reference, as Exhibit A.

NOW THEREFORE BE IT RESOLVED, by the Supervisor and Board of Trustees of Milton Township, DuPage County, Illinois as follows:

SECTION 1: That the above recitals and legislative findings contained in the preamble to this Resolution are true and correct and are hereby incorporated into this Resolution as if fully set forth herein.

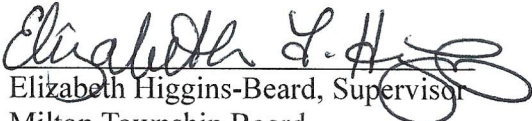
SECTION 2: That the Fund Balance Reserve Policy attached hereto as Exhibit A, is hereby approved.

SECTION 3: If any section, paragraph, clause, or provision of this Policy shall be held invalid, the invalidity thereof shall not affect any other provision of this Policy.

SECTION 4: All ordinances, resolutions, motions, or orders in conflict with this Policy are hereby repealed, to the extent they are inconsistent with this Policy.

SECTION 5: This Policy shall be in full force and effect upon its passage and approval.

ADOPTED AND APPROVED this 19th day of March, 2026, by the Supervisor and the Board of Trustees of Milton Township, Illinois.


Elizabeth Higgins-Beard, Supervisor
Milton Township Board

ATTEST:

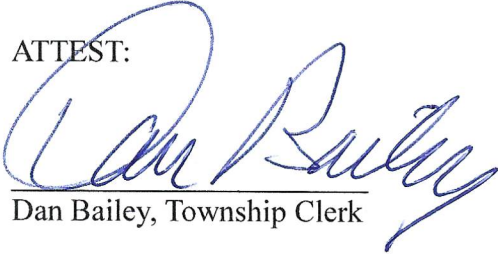

Dan Bailey, Township Clerk



Exhibit A

MILTON TOWNSHIP FUND BALANCE POLICY

Purpose

The purpose of this Policy is to establish guidelines for maintaining adequate Fund balances for Milton Township, DuPage County, Illinois (“Township”) to ensure that our financial resources are available to meet all of the statutory obligations of the Township and to sufficiently fund the services and programs necessary for Township operations. This Policy promotes responsible fiscal management, continuity of operations and services, established best practice for managing Township resources and is intended to avoid excessive accumulation of Reserves. The Township will ensure that Fund balances are maintained at the appropriate levels in relation to actual and anticipated Township expenditures. The Township is dedicated to monitor and maintain Fund balances, which in the aggregate, do not exceed approximately 2.5 times the Township’s average annual expenditures for the prior three (3) Fiscal Years, except where legally restricted or otherwise justified by documented financial need.

Fund Balance

For purposes of this Policy, “Fund Balance” refers to the accumulated difference between revenues and expenditures within a Township Fund over time. Fund balance represents the financial resources remaining in a Fund that have not yet been expended and are available to support future operations, manage timing differences between receipt of revenues and Township expenditures, address unexpected expenses, or Fund planned Capital Projects.

Applicability To Township Funds

This Policy applies to all Township Funds including:

- General Town Fund; and
- General Assistance Fund (Special Revenue Fund); and
- Special Police District Fund (Special Revenue Fund); and
- Mosquito Abatement District Fund (Special Revenue Fund); and
- Community Mental Health Fund (Special Revenue Fund); and
- Capital Projects Fund; and
- Vehicle Replacement Fund; and
- Highway Commission Funds

Fund Balance Philosophy

The Township acknowledges that maintaining necessary Fund balances is a prudent financial practice that supports cash flow stability, protects against timing differences in revenue and expenditures, and allows the Township to respond to unforeseen circumstances. Fund balances are not intended to accumulate without a planned Township use.

Accounting and Classification

Fund balances shall be accounted for and reported in accordance with generally accepted accounting principles (GAAP) and applicable Governmental Accounting Standards Board (GASB) guidance. Nothing in this Policy is intended to override, or be inconsistent with, statutory restrictions, Levy limitations, or other legal requirements governing the use of Township Funds.

Operating Fund Balance Targets

Operating Funds include the General Town Fund and the Township's Special Revenue Funds (General Assistance Fund, Mosquito Abatement District Fund, Special Police District Fund, and Community Mental Health Fund). Each Operating and Special Revenue Fund shall maintain a Fund balance sufficient to meet ongoing Budgeted obligations related to its designated purpose. As a general guideline, the Township seeks to maintain a Target Reserve Fund Balance in each operating Fund equal to approximately six (6) months of the Fund's annual expenditure. This target provides a baseline reserve to ensure continuity of operations, manage timing of receipt of revenues and expenditures, and address unanticipated needs.

Capital and Equipment Reserve Funds

Certain Township Funds are intended to accumulate resources for long-term capital needs or major equipment replacement. These Funds include the Capital Projects Fund and the Vehicle Replacement Fund.

Fund balances in these Funds may exceed the Operating Fund Balance Target Reserves described above, as resources may be accumulated over multiple Fiscal Years to Fund planned capital improvements, major equipment purchases, or significant maintenance projects. Such Fund accumulations shall be reviewed periodically by the Township Board in conjunction with capital planning and budgeting activities, which review shall be documented in the Township records.

Use of Fund Balance

Each Township Fund has a Target Reserve, which is the amount of money to be kept on hand to cover six (6) months of normal expenses. This Reserve is a best practice safety net to ensure the Township can pay all reasonable and customary bills, meet its statutory obligations, address any unanticipated increases in expenses and accommodate delays in the receipt of revenue.

Spending from a Fund's balance above the Target Reserve (i.e., when a Fund has more money than the Target Reserve), requires formal Township Board approval, which is intended only to be used for unexpected or one-time needs, such as emergencies, special projects, or temporary shortfalls, exclusive of the General Assistance Fund.

Relationship Between Revenues, Expenditures, and Fund Assets

In adopting Annual Budgets and tax Levies, the Township Board shall review existing Fund balances in conjunction with projected expenditures to ensure that revenues are available and reasonably related to the Township's financial needs. The Township intends that this Policy be applied in a manner that promotes prudent financial management by avoiding the accumulation of total Fund assets, including cash on hand, receivables, and other liquid resources, in individual Funds, or in the aggregate, that exceed approximately 2.5 times the Township's average annual expenditures for the prior three (3) Fiscal Years, except where required by law or supported by documented financial justification.



Use of Budgeted Funds vs. Fund Balance


Township Board action is required only when the Township Board intends to spend Funds from Reserves or Fund Balances above and beyond the amounts included in the approved Budget, exclusive of the General Assistance Fund. This distinction ensures that normal operations are not interrupted, while maintaining oversight and transparency over any use of Reserve Funds.

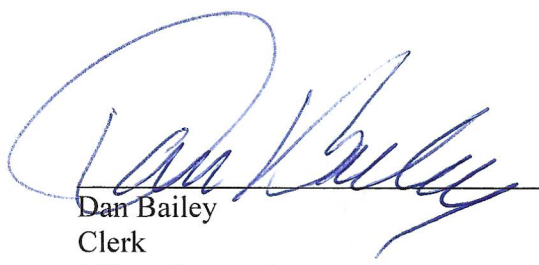
Policy Review

Fund balances and compliance with this Policy shall be reviewed at least annually during the Budget and Levy process, and more frequently if necessary to address changing financial conditions or extraordinary circumstances.

End of Policy

Adopted this 19th day of March, 2026


Elizabeth Higgins-Beard
Supervisor
Milton Township


Dan Bailey
Clerk
Milton Township

