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**Town of Palm Beach, Florida****Subject Policy: Building Enterprise Fund Unrestricted Net Position****Effective Date: September 30, 2021**

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**Purpose:** The purpose of this policy is to establish an appropriate level of unrestricted net position in the Building Enterprise Fund. Adequate levels of net position will provide for unanticipated financial impacts.

**Policy:** It is the policy of the Town of Palm Beach that the Town maintain minimum unrestricted net position levels equal to or less than a four year average of the Fund's operating budget. These costs include the costs that were used in the cost allocation model prepared by the consultant. Any excess balance will be used to reduce fees as part of an update to the cost allocation and fee determination study in compliance with Florida Statutes section 553.80.

Each year all of the costs associated with enforcing the Florida Building Code will be estimated prior to the issuance of the annual budget and will be recalculated at fiscal year-end with actual year end expenditures.

**Responsibility:** It is the responsibility of the Town Manager and the Finance Director to implement this policy. The Finance Director will report regarding the status of the net position in the Comprehensive Annual Financial Report.

**Approval Date:**