

Resolution No: 16-57
Introduced: February 13, 2007
Adopted: February 27, 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Policy regarding loans from the General Fund to other funds within County Government

Background

1. The General Fund occasionally makes loans to other funds within County Government, but there has been no policy regarding when and whether each loan should be repaid, nor whether the borrowing fund should pay interest to the General Fund.
2. On July 11, 2005 and on October 27, 2005, the Management and Fiscal Policy Committee reviewed such loans and recommends that the County should have a policy regarding such loans.

Action

The County Council for Montgomery County, Maryland approves the following policy regarding loans from the General Fund to other funds within County Government:

1. The General Fund may transfer revenues to any other County fund to serve the public interest. Transfers to pay for services rendered are not loans and are not repaid.
2. The following transfers need not be repaid:
 - a. Transfers to another County-wide tax-supported fund.
3. The following transfers must be repaid but without interest:
 - a. Transfers to a tax-supported fund that is not County-wide.
 - b. Advances to capital projects, unless the Council agrees to change the source of funding to County current revenue, in which case neither principal nor interest must be repaid.
4. The following transfers must be repaid with interest:
 - a. Transfers to a non tax-supported fund.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council