

Cumberland County, PA	FN-001
[Department] Policy <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Final	Finance
Date: November 21, 2024	Financial Philosophies

I. INTRODUCTION

The adoption of a guiding financial philosophy and supporting objectives assists Cumberland County officials and management in safeguarding the public interest and increases the public's trust and confidence in their governance.

The financial health of Cumberland County government benefits from a guiding philosophy establishing sound financial objectives and successfully implementing strategies – including policies and procedures – to achieve them.

II. FINANCIAL PHILOSOPHY

County officials and management will ensure that sufficient financial resources are maintained to efficiently and effectively support and enhance family-sustaining economic opportunity, ensure public safety, respect and preserve the natural environment, and protect our quality of life for the future.

The philosophy is incorporated into the county's day-to-day decision-making through the adoption of a broad set of financial objectives – enumerated below.

III. FINANCIAL OBJECTIVES

The financial objectives set forth herein are intended to guide the decision-making of both the Board of Commissioners and county management. The objectives shall serve as criteria for evaluating the fiscal appropriateness of both current programs and activities and proposed future programs and activities. The objectives shall remain constant guides, even in a changing environment.

The objectives below support the county's strategic planning process by directing the county's financial resources toward only those programs and activities purposed to meet the county's fiscal objectives.

Cumberland County's financial objectives are:

- Ensure the county maintains a strong financial base sufficient to provide a consistent level of county services, even in a changing environment.
- Maintain sound financial practices that meet all applicable standards and continually strive to improve fiscal operations.
- Direct the county's financial resources toward meeting the goals of the county's strategic plan.
- Keep the county in a fiscally sound position in both the long- and short-term.
- Maintain sufficient financial liquidity to meet normal operating and contingent obligations.
- Maintain effective internal control systems to provide a high level of assurance that financial information is accurately reported on a reliable and cost-effective basis.

- Periodically assess the condition of, maintain and preserve existing infrastructure and capital assets.
- Guide the Board of Commissioners and management on policy decisions that have significant financial impact.
- Ensure the county can withstand local and regional economic variations and adapt to changes in the service requirements of the community.
- Set forth operating policies that minimize the cost of government and lessen financial risks.
- Promote sound financial management by providing interested parties accurate and timely information on the county's financial condition.
- Provide a framework for the wise and prudent use of debt financing and maintain a high credit rating within the financial community, assuring taxpayers that county government is financially well managed and operates in a sound fiscal condition.
- Ensure the legal use of financial resources through effective systems of internal controls.
- Promote cooperation and coordination with other governmental entities and the private sector in financing and delivery of services.
- Improve productivity and eliminate duplication of county functions through periodic review and evaluation of county programs, processes, and activities.
- Expect service users to pay their fair share of program costs, when appropriate.

As a cornerstone of Cumberland County's financial management policy, the "fiscal integrity" of the county will be of the highest priority. The county will strive to:

- Maintain the fiscal integrity of its operating, debt service, and capital improvement budgets. It is the county's intent to maximize the level of public goods and services while minimizing the level of debt and taxes.
- Maintain adequate fund balance.
- Apply best practices.
- Restrict the use of one-time monies.

IV. POLICY

1. Adoption

This policy shall be effective upon adoption by the Cumberland County Board of Commissioners.

2. Amendment

Subject to any changes in the underlying statutory or regulatory requirements any changes shall be approved by the Cumberland County Board of Commissioners.

GLOSSARY

BEST PRACTICES	A program recommendation that provides safeguards to reduce risk and is known to produce desired outcomes.
CAPITAL ASSETS	Real or personal property that has a useful life greater than one year.
CONTINGENT OBLIGATIONS	Money that may be owed based on a future event.
COST-EFFECTIVE BASIS	Producing a good result while costing a reasonable amount of money.
FINANCIAL LIQUIDITY	Having enough money on hand or easily convertible to pay/(cover) current expenditures.
FINANCIAL RISKS	Risk (likelihood) of potential loss of money.
FISCAL INTEGRITY	To comply with financial management, accounting, auditing, and reporting procedures and facilities management procedures as required by state and federal laws and regulations in a forthright and timely manner.
FISCAL YEAR	The county's fiscal year is the calendar year for most funds including the general fund. Several of the funds that are funded with state and federal grants operate on a fiscal year that runs from July 1 to June 30 to meet grant reporting requirements.
INFRASTRUCTURE	Buildings and systems.
INTERNAL CONTROL SYSTEMS	Minimize risks and protect assets, ensure accuracy of records, promote operational efficiency, and encourage adherence to policies, rules, regulations, and laws.
LONG-TERM	Any period exceeding the next fiscal year.
ONE-TIME MONIES	Income that is not recurring in nature such as income derived by the sale of a capital asset.
OPERATING OBLIGATIONS	An ongoing cost of running the government and providing services.
SHORT-TERM	Any period that covers the current and next fiscal year.
STRATEGIC PLAN	The direction the county will take that serves as a template for the allocation of resources to meet the strategic goals of the county.

Version Number	Public Meeting	Public Meeting Date	Summary of Changes
1.0		October 22, 2007	
2.0	Board of Commissioners	November 21, 2024	Updated to new policy format, added a glossary.