

# Chatham County Budget and Financial Policies

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January 6, 2026



# 01 Budget

## Objective

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Manage the annual budget to meet legal and debt obligations, ensure adequate funding of current service levels, meet priorities of BOC, maintain the County's financial condition, and keep property tax increases to a minimum.

## Contents

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- |                             |                                 |                             |
|-----------------------------|---------------------------------|-----------------------------|
| - New or increased services | - Funding of nonprofit agencies | - Level of budgeting        |
| - Mid-year appropriations   | - Grants                        | - Justification for funding |
| - Use of one-time revenue   | - New positions                 | - Contingency funds         |
| - Budget Officer            |                                 |                             |

# 02 Debt

## Objective

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The county will manage its debt obligations to meet demands for capital facilities while striving to maintain or improve the county's current bond rating.

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- |                            |                   |   |
|----------------------------|-------------------|---|
| - Types of debt            | - Debt limitation | - Relationship to operating and capital budgets |
| - When debt is appropriate | - Terms           |   |

# 03 Fees and User Charges

## Objective

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The county will set its fees and user charges to recover the costs of services at a predetermine recovery threshold and thereby reduce reliance on property taxes.

## Contents

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|--------------------------|------------------------------|-----------------------------------|
| - Enterprise funds       | - Subsidy                    | - Review and approval of fees and |
| - Other fees and charges | - New and increased services | charges                           |

# 04 Capital Improvement Program

## Objective

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The County will plan for its capital needs at least seven years into the future in order to address needs and to earmark revenues.

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- Process
- Relationship to annual budget
- Capital project ordinances

# 05 Fund Balance

## Objective

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Recurring operations expenses of the county will be funded through recurring revenue sources. Fund balance is considered one-time revenue. The county shall maintain unassigned fund balance in its general fund equal to 20 percent of the previous annual operating budget in order to meet emergency obligations, avoid interruptions in cash flow, generate interest income, and maintain investment-grade bond rating.

## Contents

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- Rollovers
- Allowable uses
- Excess fund balance

# 06 Capital Reserves

## Objective

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The County will strive to fund capital improvements on a pay-as-you-go basis in order to enhance its financial condition and bond rating.

## Contents

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- Annual contribution

# 07 Cash Management

## Objective

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The County shall effectively manage its cash resources in order to maximize interest earnings and minimize loss of revenue.

## Contents

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- Cash receipts
- Cash disbursements
- Investment policy



# 08 Accounting and Financial Reporting

## Objective

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The County will establish and maintain its accounting system in accordance with the NC Local Budget and Fiscal Control Act.

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All records and reporting will be in accordance with Generally Accepted Accounting Principles. The County will maintain an accounting system that provides internal budgetary and accounting controls designed to provide reasonable assurance regarding both the safeguarding of assets against the loss from unauthorized use or disposition and the reliability of financial information used in the preparation of financial statements and reports.





Questions, Comments,  
Concerns?