

**545—2.4(384,388) Fund transfers.**

**2.4(1) General provisions.** All transfers of moneys between funds found in the city budget forms will be approved by a fund transfer resolution. Transfers between funds in one program are types of amendments that are not subject to preparation and adoption as provided in Iowa Code section 384.16 and are not subject to protest as provided in Iowa Code section 384.19, but such transfers will comply with the state laws regarding the funds and the following subrules.

**2.4(2) Debt service fund.** Except where specifically not allowed under state law, moneys may be transferred from any other city fund to the debt service fund to meet outstanding principal and interest. Such transfers are to be authorized by the original budget or a budget amendment that has been adopted as provided in Iowa Code section 384.16 and subject to protest as provided in Iowa Code section 384.19.

**2.4(3) Capital improvements reserve fund.** Except where specifically not allowed under state law, moneys may be transferred from any city fund to the capital improvements reserve fund for purposes specified in Iowa Code section 384.7. Such transfers are to be authorized by the original budget or a budget amendment adopted as provided in Iowa Code section 384.16 and subject to protest as provided in Iowa Code section 384.19.

**2.4(4) City utility fund and city enterprise fund.** Any governing body of a city utility, combined utility system, city enterprise, or combined city enterprise that has a surplus in its fund may transfer such surpluses to any other city fund, except the emergency fund, by resolution of the appropriate governing body. For the purposes of this subrule:

*a.* A surplus may exist only after all required transfers have been made to any restricted accounts in accordance with the terms and provisions of any revenue bonds or loan agreements relating to the utility or enterprise fund.

*b.* A “surplus” is defined as the cash balance in the operating account or the unrestricted net position calculated in accordance with GAAP, after adding back the net pension and other post-employment benefits liabilities and the related deferred inflows of resources and deducting the related deferred outflows of resources, in excess of:

(1) The amount of the expenses of disbursements for operating and maintaining the utility or enterprise for the preceding three months, and

(2) The amount necessary to make all required transfers to restricted accounts for the succeeding three months.

[ARC 0390D, IAB 6/24/26, effective 7/29/26]