

545—2.5(384,388) Fund transfers.

2.5(1) *General provision.* Transfers between funds in one program are types of amendments that do not require preparation and adoption as provided in section 384.16 and are not subject to protest as provided in section 384.19, but such transfers must comply with the state laws regarding the funds and the following subrules:

2.5(2) *Emergency fund.* No transfer may be made from any fund to the emergency fund.

2.5(3) *Debt service fund.* Except where specifically prohibited by state law, moneys may be transferred from any other city fund to the debt service fund to meet outstanding principal and interest. Such transfers must be authorized by the original budget or a budget amendment which has been adopted as provided in section 384.16 and subject to protest as provided in section 384.19.

2.5(4) *Capital improvements reserve fund.* Except where specifically prohibited by 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 must be authorized by the original budget or a budget amendment which has been adopted as provided in section 384.16 and subject to protest as provided in section 384.19.

2.5(5) *City utility fund and city enterprise fund.* Any governing body of a city utility, combined utility system, city enterprise, or combined city enterprise which 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 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 of loan agreements relating to the utility or enterprise fund.

A surplus shall be defined as the cash balance in the operating account or the unrestricted retained earnings calculated in accordance with GAAP in excess of:

- a.* The amount of the expenses of disbursements for operating and maintaining the utility or enterprise for the preceding three months, and,
- b.* The amount necessary to make all required transfers to restricted accounts for the succeeding three months.