**ONE-TIME REVENUE POLICY**

*This template provides the basics of a one-time revenue policy. You should adjust this policy to fit your government’s needs. For further guidance, refer to the GFOA book “Financial Policies.” The book describes the elements in this template plus additional options.*

# **Why a One-Time Revenue Policy Is Important**

Sometimes [name of your government] will receive revenues that we cannot expect to receive again next year. For example, we might receive proceeds from selling a large asset. If these revenues are used to pay for ongoing expenses, we may find that we cannot afford these expenses in the future. An example of an ongoing expense is salaries for the staff of a new program. This policy helps [name of your government] spend within its means and stay financially healthy.

# **Our Policy for One-Time Revenues**

When [name of your government] receives a one-time revenue, we will use it for a nonrecurring expense. A nonrecurring expense shouldn’t create an unaffordable obligation in future years. Examples include: paying down debts, refurbishing a capital asset, and building up our reserve.

# **Our Policy for Undependable Revenues**

[Note: This policy may not be applicable to all governments. If none of your revenue sources are unstable, then this policy might not be useful.]

Some of [name of your government]’s revenue sources are unstable. This means the amount of money we receive can vary from one year to the next. Examples include [insert examples]. Sometimes [name of your government] will receive unusually high income from these revenue sources. Because these revenues are unstable and unreliable, we can’t assume that the same revenue will be available in future years. Therefore, [name of your government] will treat the portion of the revenue that is above what we normally receive as if it were a one-time revenue.