



Operational Services

Fund Balances

The Superintendent or designee shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The Superintendent or designee shall inform the Board whenever it should discuss drawing upon its reserves or borrowing money.

The Superintendent and/or his/her designee is authorized to assign fund balance reserve, starting with the fiscal year ending June 30, 2011 with the adoption of GASB 54. However, funds may be designated as committed or have that designation removed only by formal action of the Board of Education. That formal action should describe the revenue source considered to be committed, and the specific purpose of its use.

In addition, the District is dedicated to maintaining a reasonable fund balance reserve sufficient to mitigate current and future financial risks. It is the goal of the Board of Education to target a 65% cumulative fund balance reserve, defined as fiscal year end cumulative fund balance divided by next year's Board approved projected operating expense budget, in order to ensure the District can meet its cash flow requirements. The Board of Education also reserves the right to increase the level of cumulative fund balance to greater than 65% for such purposes as it deems appropriate.

The School District seeks to maintain year-end fund balances at or about 65% of the annual expenditures in each fund.

CROSS REF.: 4:10 (Fiscal and Business Management), 4:80 (Accounting and Audits)

REVIEWED: 1982, 1995, 2002, 2011, 2016, 2018, December 2019