

Board Policy Contingencies and Reserves 8.10.025-P

1. The Board understands that to avoid financial instability, continuing requirements should be insulated from typical fluctuations in revenues and expenditures.
2. It is the goal of the Board to fund and maintain an operating contingency in the general fund that shall range from 5% to at a minimum is 10% of annual general fund expenditures. ~~It is the policy of the~~The Board ~~to shall~~ establish this an annual operating contingency each fiscal year during the budget process. The goals for the operating contingency will be set as part of the District's long-range financial plan, with an expectation that the District will achieve a 10% contingency in the general fund.
- ~~3. The Board resolves to establish this minimum target of a 5% operating contingency in the general fund by June 30, 2020 and 10% operating contingency in the general fund by June 30, 2025.~~
- ~~4. When the minimum level of operating contingency has been established and maintained for at least three years, the Board will consider establishing an additional reserve. The Board may choose to establish such a reserve sooner.~~
- ~~5.~~3. Contingencies and reserves will be established pursuant to ORS 294.388. Subsequent interfund transfers from contingency will be made in accordance with ORS 294.463. Requests for use of contingency amounts up to a combined total of 15% of the total appropriations authorized in the fund are within the authority of the Board to authorize. Transfers that exceed 15% may be made only after Board approval and adoption of a supplemental budget for that purpose.
- ~~6.~~4. Contingency funds generally should not be used for new or increased operating costs or investments. Contingency funds may be used at the discretion of the school board to address one-time emergencies and unanticipated expenditure requirements or to offset unanticipated revenue fluctuations occurring within a fiscal year.
- ~~7.~~5. To achieve financial stability, when the contingency account is used, the Board will seek to restore the account as soon as possible.

Legal References: ORS 294.388, ORS 294.463. History: Adpt. 4/8/02; Rev. 4/19/17; rev. 4/2019