



Rockford Area School District #883 -- Policy 701.2R

Adopted: 4-17-06

Reviewed: 2026

Revised: 4-21-25

701.2R FUND BALANCE POLICY

I. PURPOSE

The purpose of this policy is to insure the financial stability for the District, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the district to deal with unforeseen budget expenditures.

II. GENERAL STATEMENT OF POLICY

To ensure the financial strength and stability of the District, the Board will endeavor to maintain an unappropriated fund balance of at least 12-15 % of the District's Unobligated General Fund Operating Expenditure Budget.

III. DEFINITIONS

A. Unappropriated Fund Balance- Fund Balance in the District's General Fund, which is not earmarked for spending or reserved as required by state law.

IV. REQUIREMENT

When the General Fund unappropriated balance is projected to decrease below 15 % of the General Fund budget, the District shall initiate one or more of the following measures:

- A. Reduce expenditures through implementation of cost containment measures.
- B. Seek opportunities to increase revenue. Consider fee increases where appropriate. Examine options to increase enrollment.
- C. If permitted by state law, request from voters additional revenue through an increase in the operating referendum or other financial options.
- D. A combination of the above options.