

ADMINISTRATIVE REGULATION

No. 603

Board of Trustees Douglas County School District

FINANCES

BUDGET PREPARATION AND FUND BALANCES

This Administrative Regulation implements Board Policy 603, Budget Preparation and Fund Balances, and applies specifically to the General Fund and Special Education Fund. Since the District's General Fund and Special Education Fund represent the majority of the District's operating funds, the following specific goals regarding contingency accounts and fund balances should apply to these two funds:

In the General and Special Education Fund, a contingency account must be included for each fund. These contingency accounts shall be established to provide for unforeseen expenditures or for anticipated expenditures of an uncertain amount. In accordance with NRS 354.608, the maximum amount which may be appropriated for a contingency account is 3 percent of the money otherwise appropriated to the fund, exclusive of any amounts to be transferred to other funds.

In preparation of District budgets for any given year, the General Fund and Special Education funds should have contingency accounts of no less than 1%, and no more than 3%, of fund appropriations, exclusive of transfers out, consistent with NRS 354.608. In preparation of the District's General Fund for any given year, an ending fund balance of no less than 4% and no more than 8.3% of fund expenditures, excluding capital outlay, should be included in each of the two funds, consistent with applicable provisions of Nevada law and regulation governing school district ending fund balances. Fund balances thus established shall be exclusive of amounts that are legally or contractually restricted, non-spendable, or otherwise not anticipated to be readily available for use in emergencies and contingencies. The 4% minimum budgeted ending balance should be established so that at the end of any given budget year, when the budgeted ending fund balance is combined with unspent contingency and projected budget savings, an actual ending fund balance of approximately 7% of fund expenditures will remain.

If, at the end of any fiscal year, the actual ending fund balance in the General Fund or Special Education Fund falls below 5% of annual fund expenditures (excluding capital outlay), the Superintendent and Chief Financial Officer shall develop a present a written plan for Board review and approval to restore the budgeted ending fund balance to at least 4% (with a targeted actual balance of approximately 8.3%) over a specified, reasonable period of time. The restoration plan may include expenditure reductions, revenue enhancements, or other corrective actions consistent with Board Policy 603 and Nevada law.

[See Policy related to this Administrative Regulation](#)

Adopted January 12, 1999
Revised: March 26, 2026