Box Elder School District
Approve Increase in Undistributed Reserve Account

Recommendation: It is recommended that the Board of Education approves the increase in the Undistributed Reserve account to 5% of the budget, as allowed by law.

Recommended Motion: *I move that the BESD Board of Education approves the increase in the Undistributed Reserve account to 5% of the approved budget, $7,835,631.*

Background: The Utah Code 53G-7-304 allows school districts to carry an undistributed reserve amount equal to 5% of the annual budget. Since 2017, the Undistributed Reserve account has held approximately $3,900,000. As the budget has increased, the Undistributed Reserve has not been increased to match the 5% maximum amount. Currently, the account balance is equal to 2.49% of the budget. The Undistributed Reserve amount can only be increased or decrease by the consent of the Board. This account is meant to protect against significant decreases in revenue such an economic recession, national emergency such as COVID or policy changes that decrease revenue.

Policy Implications: None

Financial Implications: None. The funds will be transferred from the Unassigned Fund Balance to the Undistributed Reserve account.

Staff Implications: None at this time.