



## **Rockford Area School District #883 -- Policy 701.2R**

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Adopted: 4-17-06

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.