

*First Reading:* **November 12, 2015**

*Second Reading:* December 10, 2015

*Adopted:* June 9, 2011; March 13, 2008 \_\_\_\_\_

### **714 - FUND BALANCE POLICY**

The school board understands it is sound fiscal management for the school district to maintain an adequate operating fund balance. A fund balance should provide a sufficient reserve to eliminate any irregular uncertainty in a district's finances. The fund balance policy should be used to provide stability for District 832 students, staff, taxpayers and bond rating agencies.

The school board shall strive to maintain a minimum unassigned/unrestricted general fund balance of 8% of the total general fund expenditures.

The school board delegates the power to assign fund balances to the Director of Business Services. Assignments so made shall be reported to the school board in its annual financial report.

If resources from more than one fund balance classification could be spent, the district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

The business office shall monitor the fund balance. If the fund balance falls below 8%, the school board shall implement a procedure to stabilize the district's financial position. This shall involve:

- A. No new programs will be added at the district level unless matched by a like revenue source;
- B. Allocations such as textbooks, supplies, etc., shall be frozen; and
- C. The district will review other measures which will not immediately affect delivery of programs but could have a cost savings. An example might be areas where expenses have historically been lower than budgeted levels.

If the fund balance is projected to decrease below 7%, the district shall take measures to either generate additional revenues or to reduce expenditures through budget cuts or a combination of both.

*ADOPTED – March 13, 2008*

*REVISED – June 9, 2011*