

FUND BALANCE

To maintain the financial integrity and stability of the District, an adequate Fund Balance must be maintained in order to meet unexpected and emergency needs. Fund Balance shall be defined as the unreserved and undesignated balance in the General Fund in accordance with generally accepted accounting principles.

RULES:**A. Fund Balance Level**

1. The Board shall maintain the unreserved and undesignated Fund Balance within the General Fund to a level that is equal to a minimum of three percent (3%) of the total annual operating fund expenditures.
2. The Financial Reporting Department will monitor the adequacy of the Fund Balance and calculate the increase necessary to maintain a minimum three percent (3%) Fund Balance level.
3. In the event the Fund Balance decreases to less than three percent (3%), the Chief Financial Officer (CFO) shall prepare, for Board approval, a financial plan and timeline to restore the Fund Balance to the minimum set forth herein.

B. Utilization of Fund Balance

1. On a monthly basis, the CFO shall provide the Board Financial Statements which shall include the estimated unreserved and undesignated fund balance both as a dollar amount and as a percentage of expenditures. If the Fund Balance falls below 3.5%, the CFO shall notify the Superintendent and the School Board in a memorandum. Future requests to draw from the Fund Balance must be approved by the School Board by super majority (majority plus one).
2. Supporting documentation shall be provided by the requesting department and reviewed by the Superintendent and CFO to determine the justification and validity of a request to utilize funds from the Fund Balance.
3. The CFO will ascertain the availability of other possible funding and confirm that there is no better option than to use the funds from the Fund Balance.

4. If the Superintendent determines a “Request for Allocation of funds from the Fund Balance” is necessary, an agenda item with proper documentation and justification of requested funds will be submitted to the School Board for approval.

Authority: F.S. 1001.42; 1001.43

Policy Adopted: 4/18/06