

702.3L UNAPPROPRIATED OPERATING FUND BALANCE TARGET MINIMUM

WHEREAS, the Department of Education encourages school districts to have adequate and clearly defined operating fund balance reserves, and

WHEREAS, the Department of Education will statutorily intervene when school districts are in SOD, and

WHEREAS, this school district may find itself in situations when operating reserves may be needed for;

1. New program development.
2. Fiscal needs such as unanticipated capital improvement projects.
3. Unforeseen energy cost increases.
4. Unexpected facility and equipment repair or replacement costs.
5. Cash flow purposes, particularly with the possibility of state aid payment shortfalls.

THEREFORE, BE IT THE POLICY OF THIS SCHOOL DISTRICT THAT, the annual budgets and fiscal action taken by the district, will reflect an attempt to target an year end unappropriated operating fund balance of six (6) week average operating expenditure estimates for the upcoming fiscal year.

Example from FY-01 actual six weeks (July 1st thru August 15th) \$875,000.