

Operational Services

Fund Balances

The Superintendent or designee shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected changes to expenses or revenues.

Operating Fund Reserves are those funds purposefully reserved to insure the District can meet its obligations in spite of unforeseen events or unexpected expenses. At each fiscal quarter end reasonable estimates of projected fiscal year end data will be applied to two independent tests of financial health:

- Operating Fund balance to Revenue ratio of 50%
- 180 days of operations at current projected daily burn rate

The reserve balance will be set at the greater of the two test results.

The Superintendent or designee shall inform the Board whenever the District must draw operating funds below its Operating Fund Reserves or borrow money. Approval to do so, will require a majority vote of the board members present when there is a quorum and will be considered only in the event of extraordinary circumstances.

Operating Funds in excess of the Operating Funds Reserves shall be appropriated and documented in the District's Master Appropriations Plan.

CROSS REF.: 4:10 (Fiscal and Business Management), 4:80 (Accounting and Audits)

First Reading: March 7, 2016

Second Reading: May 9, 2016

Adopted: May 9, 2016