



3700 A

Procedures: Fund Balance

Regulation 3700 A

Original Adoption: 06/29/2011

Effective Date: 06/29/2011

Revision Dates:

Review Dates: 5/18/2015

I. PURPOSE

The purpose of this regulation is to establish the parameters and rules for determining, designating, managing and reporting on fund balance.

II. DETERMINING AND DESIGNATING FUNDS

A. **Restricted Funds.** Restricted funds will be determined as part of the fiscal year closing procedures. The annual financial statements shall include the report of funds identified as restricted.

B. **Committed Funds.**

1. The Chief Financial Officer shall make a recommendation to the Superintendent of funds to be designated as committed with sufficient specificity so as to allow the specific amounts to be set at that time, or after the end of the fiscal year.
2. The Superintendent shall forward the recommendation of the Chief Financial Officer to the Board of Directors no later than the final regular meeting of the Board of Directors in each fiscal year.

C. **Assigned Funds.**

1. Generally, referendum income shall be assigned funds.
2. Referendum funds that are unspent at the end of each fiscal year shall be:
 - a) Identified in fiscal closing procedure reports to the Board of Directors;
 - b) Reported in the annual financial statements;
 - c) Assigned by the Superintendent to one or more Referendum purposes.

III. ANNUAL FUND BALANCE TARGET

A. The annual budget proposed by the Superintendent shall include a Fund Balance target amount.

B. The target shall be set jointly by the Superintendent and the Board of Directors based on factors including, but not limited to the status of:

1. Operational expenses, such as fuel costs, employee costs, etc.;
2. State and Federal funding;
3. Cash flow;
4. Enrollment projections.

C. The Chief Financial Officer shall work with the Board Finance Committee, or such other division or committee of the Board of Directors throughout the year to inform the recommendation to be included in the proposed budget.



IV. MINIMUM FUND BALANCE OVERSIGHT

- A. The Chief Financial Officer shall supply the Superintendent and the Board of Directors with quarterly financial statements. Such statements shall include an assessment of risk requiring the use of the minimum fund balance for the current fiscal year. The risk assessment shall rate the risk from low to high.

- B. The Superintendent shall institute cost savings identified in district policy when risk of requiring use of the minimum fund balance is rated high.

Legal References:

Cross References:

MPS Policy 3700 (Fund Balance)