



702

FUND BALANCE

APPROVED: 08/2006

UPDATED: 12/2022

I. FINANCIAL MANAGEMENT

The Board believes that prudent fiscal management requires the maintenance of reasonable fund balances to buttress the School against unexpected conditions. Accordingly, the administration shall plan and manage annual revenue and expenditure budgets that provide an unreserved general fund balance of at least sixty-five percent (65%) of annual general fund expenditures. When the general fund balance threatens to fall below 50% of annual expenditures within a given year, the administration shall alert the Board to the circumstances and recommend appropriate short-term actions to maintain the desired balance. When projections indicate that the balance for the succeeding school year and/or any year within a four year projection is in danger of falling below 20% of the annual operating expenditures, the administration shall alert the Board of the circumstance and recommend appropriate long-term actions to secure the desired balance.

Similarly, if the unreserved general fund balance exceeds seventy percent (70%) of the annual expenditures within a given year, the administration shall alert the board. At that time the administration may recommend and the board may choose to increase expenditures on but not limited to capital outlays, deferred maintenance or other priorities as outlined in the school's strategic plan.