

GENERAL FUND ENDING BALANCE

The District will maintain an ending fund balance in the general fund at a level sufficient to provide financing for needs of an emergency nature such as adverse changes in the economic environment and unexpected fluctuations in student enrollment. A sufficient ending fund balance may also be necessary to facilitate an orderly adjustment to changes resulting from the reduction and/or termination of revenue sources through the actions of the federal and state governments, and failures of local maintenance and operations levies, capital project levies, or bond measures.

The Superintendent or his/her designee, in preparing annual budgets, shall propose a General Fund budget that reserves within the fund balance an amount equal to at least one month's expenditures calculated using an average of the previous fiscal year's annual average.

The district may reserve additional amounts for other specific purposes and future needs.

If the ending fund balance falls under the targeted amount, the Superintendent will notify the Board of Directors for the purpose of planning a course of action that will address the shortfall or overage of revenue. The Board may elect to adjust the ending fund balance based on district need.

Cross References: **Board Policy 6020 Systems of Funds and Accounts**
 Board Policy 6040 Expenditures in Excess of Budget