

DeForest Area School District
Administrative Regulation

TITLE: UNRESERVED, DESIGNATED FUND BALANCE	NUMBER: AR 9.7(19)
<i>Executive Limitation: EL 9, Asset Protection (9.7 – Fund Management Practices)</i>	
Recorded as Administrative Regulation: <i>Established: 3/8/04 Revisions:</i>	
Origin as Board Of Education Policy: Fiscal Management 681.1 <i>Established: 9/28/93 Revisions: 2002</i>	

The District believes there is a need to maintain adequate reserves to provide for adequate cash flow and serve as a safeguard against emergency expenditures and/or unrealized revenues.

The Fund equity consists of three components: (a) reserved fund balance; (b) unreserved-designated fund balance (i.e., cash flow); and unreserved-undesignated fund balance. The balance in the unreserved-designated fund balance should be between twenty-five and thirty percent (25% – 30%) of the proposed level of the general fund budget.

The Director of Business & Auxiliary Services shall recommend to the Board for their review and approval, the appropriate designated amounts for each of the fund balance components.

To provide good fiscal management of the unreserved-designated fund balance, two separate motions shall be required to use any portion of these funds for purposes other than meeting cash flow needs after the budget has been approved. The first motion must identify the amount of dollars to be transferred from the unreserved-designated fund balance to the operating budget. The second motion must identify the purpose of the expenditure(s). Both of these motions shall be approved by two-third vote of the entire membership of the Board.

Reference:

Sections 65.90, Wisconsin Statutes

Board Policy, EXECUTIVE LIMITATIONS, Unreserved, Designated Fund Balance
Board Policy, EXECUTIVE LIMITATIONS, Budgeting

Cross Reference:

AR 8.7(1) - Annual Operating Budget
AR 8.7(3) - Budget Implementation