

Coos Bay School District 9

Code: **DBDB**
Adopted: 2/27/12

Fund Balance

The Board recognizes its responsibility to maintain sufficient reserves to provide for adequate cash flow, serve as a safeguard against emergency expenditures and/or unrealized revenues, and protect the district from unnecessary borrowing.

Consequently, the Board directs the superintendent to develop a budget establishing reserves to ensure an ending reserve balance of five percent of the General Fund budget.

The superintendent will use a combination of the Fund Equity account components in achieving sufficient reserves. The Fund Equity consists of three components:

1. Contingency (810) – as a safeguard against emergency expenditure needs and/or unrealized revenues.
2. Unappropriated ending fund balance (820) – funds from the current budget set aside as a resource for the following year.
3. Capital Project Funds – funds set aside to acquire, construct or be used for major maintenance projects.

The Board recommends a contingency budget of between 2.5 - 4 percent. Amounts in the Capital Projects Funds can be used in combination with unappropriated ending fund balance to bring the total reserves to the desired level.

The superintendent and Board will consider a variety of factors with potential impact on the district's budget including the predictability and volatility of expenditures and revenues when determining reserve needs.

END OF POLICY

Legal Reference(s):

[ORS 294.311\(18\)](#)
[ORS 294.371](#)
[ORS 332.107](#)