

## **Fiscal Management Goals & Policies**

The district's fiscal management goals and policies provide the framework for financial planning and decision making by the school board, superintendent, budget committee, and district staff. The fiscal management goals are designed to ensure the district's financial integrity which, along with prudent management of the district's financial resources, is necessary if the district is to provide the educational services, support services and facilities that address student needs as well as community expectations.

The following goals and policies are intended to guide the district in its financial matters. The goals are broad statements of board philosophy for the district's fiscal management.

### **Fiscal Management Goals**

1. The district will establish a financial base sufficient to support high quality and innovative educational programs which meet student need.
2. The district will follow prudent and professional financial management practices in order to achieve and maintain long-term financial stability.
3. The district will demonstrate to the district's taxpayers and the financial community that the district is well managed through yearly certified audit(s).
4. The district will have an adequate capital improvement program that maintains district assets, provides for student and employee safety, maintains a quality instructional environment, and affords the ability to address changes in enrollment.
5. The district will continually review and improve its formal budget document and other financial information so resources, expenditures, and the district's financial position are transparent.
6. The district will communicate, as permitted by law, with its employees and the community so that they understand the district's program requirements and financial status.

### **Fiscal Management Policies**

1. The district may strive to establish a stable revenue base for the operating budget for program needs through cooperation with its associations, legislators, and other districts and public agencies. The district may periodically make capital funding requests to assure adequate safety and preservation of school buildings, district equipment, and other capital assets.

2. The board will establish funds as needed to support effective and efficient service delivery. The budget committee and the board will review each fund annually as the budget is prepared and reviewed. If certain funds are not found to enhance the district's services or financial goals, they will be re-allocated.
3. Each fund will maintain an appropriate contingency account to meet unanticipated requirements that may occur during the budget year. Cash reserves and fund balances will be consistent with generally accepted accounting practices and local budget law. The targeted contingency goal for the general fund should be no less than two percent of the operating budget. The district will review other funds for contingency and cash reserve requirements to ensure that each fund has sufficient reserves and a positive balance at year end, as required by local government or best practice budget law.
4. The district will maintain an ending fund balance in the general fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures.

The targeted floor for the ending fund balance will be at five percent of annual operating revenues. Taking into consideration revenue and expenditure volatility and other district needs, the board will allocate an appropriate portion of the projected ending fund balance to the unappropriated ending fund balance (UEFB) in the annual budget. The UEFB may not be spent or appropriated during the fiscal year in which it is budgeted.

Once the targeted five percent for the ending fund balance has been achieved, the superintendent and/or business manager at superintendent's request will advise the board if at any time the ending fund balance falls below or is projected to fall below that amount. The superintendent and/or business manager at superintendent's request will update the board on the financial condition of the district and present financial options for board consideration.

5. If district revenues are less than anticipated, operating capital and ending fund balance allocations will be reviewed by the board for possible program fiscal support reductions. The board may decide to use a portion of the projected ending fund balance to stabilize services. When such a determination is made, the board will adopt a plan to rebuild reserves to the five percent targeted goal over a five year period or less.
6. The district will consistently fund dedicated reserve and replacement accounts for its future liabilities, claims and fixed assets. Each dedicated reserve account will include clear standards for setting the amount of the reserve.
7. Excess one-time funds may be available for capital improvement, equipment, media (printed and non-printed), automation or other one-time projects that improve the district's productivity and efficiency, but only if the ending fund balance is deemed to be sufficient.
8. Each fund will maintain adequate cash reserves or contingency in order to meet operating cash flow needs or borrow internally from another fund, or as a last resort, borrow externally to provide for cash requirements. Suggested list of reserve accounts may include but not limited to: Capital Improvement, PERS Liability, Textbook Replacement, Early Retirement/Retirement Enhancement, Vehicle Replacement, Technology (IT/Phone...), ELL, Loan Repayment, Salary/Benefit.

END OF POLICY

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**Legal Reference(s):**

[ORS 332.107](#)