

**Policy 662.3: General Fund Balance**

The Independence School District Board of Education recognizes that the management of District funds necessitates the development of an adequate end of year fund balance. The general fund operating reserve:

1. Provides adequate working capital sufficient to meet the district cash-flow requirements, thus minimizing any cash-flow (short term) borrowing during the annual operating cycle.
2. Functions as a safeguard to fund unanticipated expenses that the district might incur or to fund unrealized revenue, which may occur but shall not be considered available to meet recurring operating expenses.
3. Demonstrates fiscal responsibility resulting in a high credit rating which will help to reduce the district's borrowing costs.

In recognition of these needs, the Board of Education shall continually strive to develop operating budgets, which will add sufficient funds each year to the General Fund Balance and work towards attaining and maintaining 20% of the total operating costs in the fund balance.

Use of the General Fund Balance must be approved by a majority of the Board for unbudgeted items exceeding \$5000.

Regularly, the Board of Education will review the fund balance to determine the allocation between non-spendable, restricted, committed, assigned, and unassigned fund balance accounts. The District Administrator and or school bookkeeper is delegated authority to assign fund balances as directed by the Board of Education.

Legal Ref.: Section 65.90 Wisconsin Statutes

Adopted in December 2024