

Minimum Fund Balance

The Board of Directors of the Bellevue School District recognizes the importance of maintaining a sufficient fund balance in each of its funds to assure sound financial practices, provide program stability, provide stability for employees, and obtain excellent bond ratings.

The fund balance in the Debt Service Fund, Transportation Vehicle Fund, Capital Projects Fund, and Associated Student Body Fund is primarily a function of the scope of the projects and activities found within the operation of each fund. Stability of revenue and predictability of expenditures in these funds enables the District to establish an appropriate fund balance.

The complexities of funding and other economic uncertainties in the operation of the General Fund require a different approach in setting the fund balance level. Some of the uncertainties affecting the fund balance for the General Fund include:

- A. Enrollment fluctuations, both at the start and throughout the school year;
- B. Unanticipated changes in tax and appropriation levels by state and federal agencies;
- C. Legislative mandates having financial impacts on school systems;
- D. Passage/failure of voter referendums and levies;
- E. Financial impacts of labor agreements including arbitration judgments;
- F. Litigation; and/or
- G. Energy cost increases and weather related damages.

To provide stability of programs and maintain sound financial practices, the District will establish a prudent set aside of the fund balance level in the General Fund. This will allow the District to ensure the continuity of the educational program.

Annually, it is in the best interest of Bellevue School District that the Board maintain a set aside general fund balance within the range of 5-6% of the prior year's actual expenditures.

Should the set aside fund balance fall below the range of 5-6% of the prior year's actual expenditures, a plan to replenish the fund balance will be developed and implemented. Should the set aside fund balance become positive, a plan for one-time use of the additional amount may be proposed by the Board of Directors.

Cross References:

Board Policy 6020	System of Funds and Accounts
6040	Expenditures in Excess of Budget

Legal References:

RCW 28A.320.070	School district as self-insurer – Authority
28A.505	School Districts' budgets
28A.505.130	Budget – Requirement for balancing estimated expenditures