

1 Joint School District No. 2, Meridian

2
3 BUSINESS OPERATIONS

4
5 Series 800

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8 Policy Title Unappropriated Fund Balance and Contingency Code No. 801.70

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10 An unappropriated fund balance of not less than 9% of the estimated revenue for the
11 current year shall be maintained for the General Fund. Any variance below the 9% must
12 be specifically identified and reported to the Board for approval when the budget is
13 presented; an outline of a plan to bring the unappropriated fund balance up to 9% must
14 also be presented at that time.

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16 The purpose of the unappropriated fund balance is to allow the District to absorb any
17 unpredicted revenue shortfall, to maintain cash flow, to maintain the District's bond
18 rating, and to minimize the borrowing needs of the District.

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20 The District will also establish a general fund contingency to provide for unanticipated
21 expenditures; this contingency will be 1% of the estimated revenue for the current year.
22 The contingency is a budget item only; in order to make any expenditures from the
23 contingency funds, a budget transfer is to be made to the appropriate expenditure
24 account. Transfers from the contingency funds may be made only with approval from
25 the Board of Trustees.

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27 Each year during the budgeting process, the administration will estimate the amount of
28 the fund balance to be available and the amount of the contingency to be available for
29 the following year. This amount will always be an estimate and will vary because the
30 exact amount of revenue and expenditures will not be known until after the close of the
31 fiscal year. The estimate will be used to prepare the budget for the following year.

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33 In the event the unappropriated fund balance is above 9%, the difference may be used
34 for one-time expenditures, which do not increase on-going costs for the District.
35 Expenditures must have approval from the Board of Trustees.

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47 Date of Approval:
48 5/10/05

Legal Reference: Code of Idaho
33-510, 33-801
Charter, Sec. 9(17), 33-801A
33-506(1)