

OLYMPIC ESD 114 BOARD POLICY FUND BALANCE

POLICY 6022

The Olympic Educational Service District 114 (OESD) Board of Directors (Board) recognizes the importance of maintaining an adequate fund balance for long-term financial stability. An undesignated fund balance is needed for the following:

- Revenue shortfalls
- Unanticipated expenditures
- Capital Projects and Building Maintenance
- To ensure stable fees for services
- To avoid reducing service levels
- To maintain good standings with rating agencies
- To generate interest income
- To ensure cash availability when revenue is unavailable

Definitions

Undesignated fund balance is the total of all fund balance accounts except the reserves for debt service, inventory, instructional programs, non-instructional programs, and other items.

Fund balance reserve percent is the undesignated fund balance divided by the total operating revenues excluding the amount set aside for Capital Projects

Fund Balance Reserves Percent – General Fund

OESD shall strive to maintain an undesignated fund balance of at least 15 percent of revenues. In addition to the undesignated fund balance, OESD will have a separate undesignated fund balance solely for Capital Projects to maintain the OESD Bremerton Building.

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Renumbered: March 2013, From 4021
Renumbered: January 21, 2016, From 4020
Revised: November 14, 2019
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