

Since educational programs are dependent on adequate funding and the proper management of those funds, District goals can best be attained through efficient fiscal management. As trustee of local, state and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the District must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of District management and operation.

In the District's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for the District's students.
3. **Minimum Committed Fund Balance:** The District will maintain a minimum committed fund balance in its General Fund of three month's monthly average of the previous year's budgeted maintenance and operations expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.
4. Provide timely and appropriate information to all staff.
5. Establish efficient procedures in all areas of fiscal management including:
 - a. Monthly review of the district budget.
 - b. Yearly review of the possibility of an emergency levy.
 - c. Provision of pertinent financial records to all supervisors and principals.
 - d. Superintendent will review and sign reconciliation reports monthly.
 - e. Yearly audits which should be completed and presented to the Board of Trustees in the September meeting.

Replenishing Deficiencies: When the fund balance falls below the minimum range, the District will replenish the shortage or deficiency using the budget strategies and timeframes described below.

1. The District will reduce recurring expenditures to eliminate any structural deficit; or
2. The District will increase revenues or pursue other funding sources; or
3. Some combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

1. Deficiency resulting in a minimum fund balance between 3.5% and 5% shall be replenished over a period not to exceed one year; and
2. Deficiency resulting in a minimum fund balance of 2.5% to 3.49% shall be replenished over a period not to exceed two years.

3. Deficiency resulting in a minimum fund balance of 0% to 1.99% shall be replenished over a period not to exceed three years.

Bond Repayment

All funds received from property taxes for the purpose of repayment of bonds will be kept in a separate investment account from all general operations funds. The funds will be deposited in the district approved bank account and then transferred to the bond repayment investment account as soon as reasonably possible. When a bond principal or interest payment becomes due, the money will be transferred from the bond repayment investment account into the district approved bank account and the payment will then be issued.

Legal Reference: Title 20, Chapter 7, Idaho Code Fiscal Affairs of School Districts

Policy History:

Adopted on: 2/11/20

Revised on: