

Policy: 6022 Section: 6000 - Management Support

Adopted 10/02/13 Revised 05/20/2020

Minimum Fund Balance

The district recognizes the importance of maintaining a prudent fund balance in the general fund to ensure operational cash flow needs are met, to set aside resources for known obligations and to help protect against unforeseen circumstances. Accordingly, the School Board shall annually adopt a specific reserve for the upcoming fiscal year. The reserve percentage shall be informed by the economic climate at the time of adoption.

It is the policy of the Mount Vernon School Board to adopt and maintain an unreserved, undesignated fund balance of between 5 and 7 percent of the district's overall General Fund Budget. If the adopted or year-end reserve percentage is below five (5) percent, a plan must be presented to the Board, including timelines, to bring reserve fund back to five (5) percent.

Cross References: 6040 - Expenditures in Excess of Budget

6020 - System of Funds and Accounts

Legal References: RCW 28A.320.070 School district as self-insurer - Authority

RCW 28A.505 School Districts' Budgets

28A.505.130 Budget - Requirements for balancing estimated

expenditures