

Policy 3105.1: ^Reserve Policy

Status: DRAFT

Original Adopted Date: Pending

The Governing Board of the Reed Union School District (RUSD) is responsible for the setting of budget priorities and approval of financial policies for RUSD operations, and in the interest of safeguarding fiscal sustainability for the continued support of high-quality education in the District directs the Administration to establish and maintain the following level of Reserve Funds in the District Budget as a Reserve for Economic Uncertainties.

Reserve Guidelines

The District maintains a minimum committed fund balance of not less than 27 percent (inclusive of the percentage required by 5 CCR 15450) of budgeted general fund expenditures and other financing uses as a Reserve for Economic Uncertainties. Because amounts in the non-spendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned and unrestricted. The Governing Board believes a reserve of this level is prudent to maintain a high bond rating and to protect the service level provided by the District from financial uncertainty.

In determining the minimum committed fund balance amount, the Governing Board considered the California Department of Education's recommendations for minimum fund balances for community funded districts plus risks specific to the District including potential catastrophic losses due to natural disasters based on historical data from similar districts, uncertainty around future state and federal funding, historical data around economic fluctuations, and uncertainty around unknown legal liabilities.

Use of the Reserve for Economic Uncertainties must be approved by Board action, and any shortfall shall be replenished as soon as reasonably possible.

The Governing Board shall review this policy at least every five (5) years.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

Notice

Unique Policy

Description

This policy is unique to the district/COE and is not connected to an existing CSBA sample policy or included in regular quarterly updates from CSBA.