**Policy: 6022  
Section: 6000 - Management Support**

**Minimum Fund Balance**

(Select one of the options)

**Option A:**  
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 district adopts this policy in regards to those portions of fund balance that are in spendable form but are not legally restricted as to their use from outside sources.  
Annually, the superintendent or designee will present a general fund budget that includes a commitment of at least (insert the percentage for the district or a range of percentages) percent of the (current year’s/prior year’s) expenditures towards a minimum fund balance.

**(OR)**

**Option B:**  
Annually, it is in the best interest of Skykomish School District that the board of directors target a goal of (insert the percentage for the district or a range of percentages) \_\_\_\_\_\_\_ percent of the (current or prior year’s) expenditures to address potential general fund needs and continue to maintain an acceptable and adequate minimum fund balance for district operations.

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| Cross References: | 6040 - Expenditures in Excess of Budget |
|  | 6020 - System of Funds and Accounts |
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| 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 |
|  |  |

Adoption Date:

Skykomish School District  
Classification: Discretionary  
Revised Dates: 3,11,2020