

**Nerstrand Elementary School Policy 714
Independent Charter School District #4055**

Adopted: 5/14/2015

Reviewed: 8/20/2019

Reviewed: 4/12/2021

Revised: 12/13/2021

714 Fund Balance Policy

It is the policy of Nerstrand Elementary School that each fiscal year will end with a zero or positive fund balance in all -422 and -464 accounts (i.e., Funds 1 and 4).

The school will transfer funds between accounts at the end of each year to maintain these fund balance standards.

The school's target objective is for the balance in Fund 1 to be 25% of annual Fund 1 expenditures.

The Board will assure that all initial adopted budgets maintain a minimum fund balance of 25% for 3 years, as shown in a 3-year budget projection to be approved at the time of initial budget adoption each year.

If at any time the fund balance falls below the above targets, the following year's operational budget will replenish the fund balance by 1% per year towards the prescribed 25% until that goal is achieved.