School Division's Unrestricted Fund Balance *Options*

	School Board Adopted	**Alternative**
Targeted Fund Balance	Range: Minimum 2%, Maximum 4% of annual operating budget	2% maximum of annual operating budget
Use of Fund Balance	•One-time expenditures •Sudden unforeseen costs (i.e. VRS) •As additional revenue when local and state revenue do not meet projections necessary for appropriations •Close funding gaps in operating budgets	•One-time and emergencies •Per County Finance Policy – no use of one-time funding to meet on-going expenses
Timing	JAN: Calculation developed during budget adoption process and would be planned *as part of* Superintendent and School Board Funding Request for upcoming year. School Board uses projections of fund balance to make budget decisions and stay at or above the fund balance floor of 2% Following JUNE: Transfer would not be based on the planned amount, but on the appropriated amount, and would not be made until June *Note: School Division staff notes that the timing component needs more clarity.*	FALL: Calculation developed *prior to* the Superintendent's budget development process so that 2% remains available for one time and emergency uses by School Division in that upcoming year. Any available funding for CIP would be utilized in the CIP in the following year.
Formula	Two Steps: 1) Did Fund Balance increase from previous year? If "No", then no funding would be considered for CIP. 2) If "yes" - Prev. Yr. CAFR # minus amt. *appropriated* in current budget and the amt. *appropriated* by Board of Supervisors for upcoming year.	One Step: 1) Prev. Yr. CAFR # minus the amt. *appropriated in* School Division's current year's budget. (To be used for one-time and emergency use only)
Calculation of CIP Contribution	40 % of Fund Balance growth between 2% and 4%; 100% of excess over 4%	100% of excess over 2%
Conditions required for CIP Contribution	Growth in Fund Balance during preceding year	None
Use of Fund Balance Growth over 2% floor	Between 2-4% - 40% goes to capital. The 60% remains in this undesignated fund balance. Any excess over 4% goes to capital	All funds above 2% go to capital

Note: The County recently increased the County's Overall Unassigned Fund Balance Reserve from 8% to 10% to address School and Local Gov cash flow/emergency needs