



Provo City School District
Policy Series 6000: Finances and Operations

Policy No. 6015

Fund Balance

Provo City School District (PCSD) recognizes the importance of maintaining fund balances at stable and sufficient levels to ensure long-term financial viability. Factors which impact the necessary level of fund balance include economic stability, reliability of local, state and federal funding, capital needs, bond ratings, and the ability to meet other contingent issues or emergencies.

The district will make every effort to maintain sufficient reserves to:

- Fund emergencies as they arise
- Ensure that learning and work flow is minimally impacted
- Ensure bond ratings remain at an acceptable level
- Support Long Term planning

As such, the District shall maintain total Committed, Assigned and Unassigned Fund Balance in the General Fund at 20-25% of total General Fund revenues. Additionally, Unassigned and Board Contingency Fund Balance shall be maintained at 8-10% of general fund revenues, with Board Contingency not to exceed state compliance percentage.

The District, reserves the right to appropriate funds from the fund balance for emergencies and other requirements that the District believes to be in its best interests.

Any significant reduction of the fund balance shall be supported by

- A written Board approved plan for the use of the funds
- Board approval of the annual budget and budget adjustments throughout the fiscal year
- A replenishment plan which will replenish the reduced fund balances to the target percentage within a 3-5 year time period or less

Legal References:

Synopsis

Utah State Code 53G-7-304

Undistributed Reserve in School Board Budget

GFOA Best Practices

Appropriate Level of Fund Balance in the General Fund
Replenishing Fund Balance in the General Fund

Approved by Board of Education: October 13, 2015