

Prairie Creek Community School Policy
Independent Charter School District #4090
Fund Balance Policy
Adopted: 6/26/14

Purpose

The Board of Directors recognizes the challenge of achieving a healthy, viable fiscal future amidst shifts in population, program and client demands, and state funding formulas. It embraces its responsibility to adhere to Minnesota statutes and Generally Accepted Accounting Practices, and further understands the need to be ever mindful of its obligation to the public trust and the legitimate demand for accountability. With this context in mind, the Board adopts this policy to establish year-end fund balance standards.

Policy

It is the policy of Prairie Creek Community School that each fiscal year will end with a zero or positive fund balance in all -422 ("Unassigned") and -464 ("Restricted") accounts for all Funds (1, 2, and 4).

The school will transfer funds between accounts, as allowed, 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 in conjunction with the initial budget adoption each year.