

Sebastopol Independent Charter School

Budget & Fund Balance Management Policy

This policy supersedes and replaces the following policies:

1. Cash Management Policy (approved 4/12/10 and amended 6/18/12)
2. Resolution to Establish a Special Reserve Fund (approved 4/12/10)
3. Budget & Fund Balance Management Policy (approved 3/9/15)

It is the intention of the Sebastopol Independent Charter School Board to manage the long-term fiscal health of the school by managing the school's operating budget responsibly. It is also the school's intention to maximize funds available for developing a new school site. It is recognized that the school has been building up its Fund Balance in prior years in order to be able to draw on this balance in order to allow organizations and donors who help fund the school to instead direct those funds to invest in and develop a new campus for the school. To that end this policy establishes the minimum Current Net Asset Balance allowed when considering the school's operating budget.

Minimum Ending Current Net Asset Balance: The Board shall approve no budget which is projected to result in an Ending Current Net Asset Balance of less than the sum of \$250,000 and 5% of the projected annual operating expenses, or \$400,000, whichever is greater. This Balance shall include the 5% reserve required by our MOU with the Sebastopol Union School District. Ending Current Asset Balance shall be calculated by subtracting Long Term Assets (defined as assets the school plans on holding for more than one year) from the Ending Total Net Asset Balance (aka Ending Fund Balance).

Last Updated: June 18, 2018
Supersedes all previous versions