

**MANAGEMENT**  
**Minimum Fund Balance**

The District recognizes the importance of maintaining a prudent fund balance in the general fund to ensure operational cash flow needs are met, to set aside resources for known obligations and to help protect against unforeseen circumstances. Accordingly, the district adopts this policy in regards to those portions of fund balance that are in spendable form, but are not legally restricted as to their use from outside sources.

Annually the superintendent or designee will present a general fund budget that includes an assignment of at least five percent (5%) of the current year's expenditures towards a minimum fund balance.

This will be classified within our annual financial statements as Assigned to Other Purposes.

Legal References:                      RCW 28A.320.070 School district as self-insurer - Authority  
    RCW 28A.505 School Districts' Budgets  
    28A.505.130 Budget - Requirements for balancing estimated expenditures

Revised: 2/16/21  
Adopted: 5/20/14

Chehalis School District  
By the adoption of this policy, the Board of Directors of the Chehalis School District concurrently rescind any other policy, prior board resolution or prior procedure or practice within the school district that is either in conflict with, or expansive of, the matters addressed in this policy. (i.e. Resolution No. 09-10-018 dated 7/6/10)