

# JOHN GREEN ELEMENTARY SCHOOL PFC

## FINANCIAL RESERVE POLICY

October 16, 2019

**Reserve policy including operating reserve and savings reserve:**

An **operating reserve** target approximately equal to six (6) months of operating expenses, or approximately \$12,000 in fiscal year 2019-20, shall be maintained in the savings account. No more than 20% of the **operating reserve** shall be spent in one year unless initiating a strategic multi-year plan. As with all financials, every expenditure needs to be voted on in a PFC general board meeting.

A savings reserve shall be designated in an amount **in excess of the operating reserve**. The savings reserve may be used for expenditures as approved by the board, including those that fall outside of the operating budget. For example, savings reserves may be used to fund year-to-year shortfalls in net income, new or innovative program expenditures, or fund capital expenditures that may or may not qualify for funding from operating reserves.