

JOHN GREEN ELEMENTARY SCHOOL PFC

FINANCIAL RESERVE POLICY

September 06, 2018

RESERVE POLICY INCLUDING OPERATING RESERVE AND SAVINGS RESERVE:

AN OPERATING RESERVE TARGET EQUAL TO SIX (6) MONTHS OF OPERATING EXPENSES, OR APPROXIMATELY \$27,000 IN FISCAL YEAR 2018-19, SHALL BE MAINTAINED IN THE SAVINGS ACCOUNT TO MANAGE CASH FLOW, SHORT-TERM SHORTFALLS OR UNEXPECTED EXPENSES. NO MORE THAN 20% OF THE OPERATING RESERVE SHALL BE SPENT IN ONE YEAR UNLESS INITIATING A STRATEGIC MULTI-YEAR PLAN.

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.