

## **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.

To ensure the financial stability of the Union Gap School District, the Board has directed the Superintendent to maintain a minimum fund balance of at least 15 percent of the current year's budgeted expenditures. Fund balance designated for carryover will be above the required amounts specified.

Cross Reference: Board Policy 6020  
Board Policy 6040

System of Funds and Accounts  
Expenditures in Excess of Budget