

GENERAL FUND BALANCE

The Amber-Pocasset Board of Education maintains a philosophy of strong fiscal responsibility in the management of the school district's revenue. An essential component of the revenue management process is to maintain the general fund cash forward balance at a level that provides efficient cash flow, covers emergency expenditures, adjusts for revenue shortfall and avoids paying interest on non-payable warrants.

The board, in order to maximize the efficient use of the general fund, establishes the fiscal management objective of achieving a general fund cash forward balance not to exceed (see reference), in compliance with state law.

Fiscal Management Priority

An adequate level of general fund balance is required in order to maintain efficient cash flow, cover emergency expenditures, adjust for revenue shortfalls, and avoid paying interest on non-payable warrants. In order to maximize the efficient use of this fund, the board of education establishes the fiscal management priority objective of achieving and maintaining a general fund balance of eight percent (8%). Should the general fund balance drop below a minimum level of five and one quarter percent (5.25%), the administration shall give first priority to restoring this minimum level with any additional funding received and with the development and implementation of an expenditure reduction plan.

Carryover Balances

In accordance with 70 O.S. §18-200.1, a school district shall have its state aid funds reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year that is in excess of the following standards for two consecutive years:

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Allowable
Less than \$1,000,000	40%
\$1,000,000 - \$2,999,999	35%
\$3,000,000 - \$3,999,999	30%
\$4,000,000 - \$4,999,999	25%
\$5,000,000 - \$5,999,999	20%
\$6,000,000 - \$7,999,999	18%
\$8,000,000 - \$9,999,999	16%
\$10,000,000 or more	14%

For purposes of calculating the general fund balance penalty, the terms "carryover" and "general fund balance" shall not include federal revenue.