



ACCUMULATED OPERATING RESERVE

Adopted: 2019-02-05	Reviewed:	Amended:
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SUBJECT: **ACCUMULATED OPERATING RESERVE**

The Board of Education is responsible for ensuring the district is protected financially from forecasting risk and unforeseen circumstances that could negatively impact resources available for the education of students.

Fraser Cascade School District's accumulated operating reserve will serve as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues related to emergent operating issues, one-time costs and intermittent projects.



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REGULATIONS

SUBJECT: **ACCUMULATED OPERATING RESERVE**

The Board will attempt to maintain a contingency reserve of four (4) percent of annual operating expenses. Excess funds above the desired target may be considered for allocation through the budget process.

When use of the contingency reserve reduces the balance below what is determined to be sufficient, the Board of Education will adopt strategies for replenishing the contingency reserve within an appropriate timeframe.

Accumulated operating reserve should not be transferred to Local Capital without supporting detail of what capital projects these Local Capital funds will be spent on. This will normally occur during the budget process, or through approval by Board motion.

Operating reserve funds may be internally restricted. Amounts should not be internally restricted that will not likely be spent within three years. The Board will provide information in the Notes to the Financial Statements identifying internally restricted reserves.

The projected Operating Reserve balance should be reported to the Board when presenting the annual budget.