**Todd County Board of Education**

**Board Policy on Minimum Fund Balance**

The Todd County Board of Education believes that sound fiscal management is key to maintaining a district capable of delivering the proper instructional resources to the students of Todd County. It is the intent of this Board to maintain a strong operating district and hereby establishes a policy of a minimum General Fund balance to insure continued resource availability.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of governmental funds. To maintain balances above this level, they recommend reserving at least 5%. This, however, is less than one month’s of operating funds. The Board believes that up to three months of General Fund operating expenses should be maintained as a minimum General Fund balance to insure uninterrupted operations of the district.

It is hereby established as a Todd County Board of Education policy that approximately three months of General Fund operating funds be maintained as a minimum fund balance and that funds will be committed annually to maintaining this policy and fund balance.