

FUND BALANCE

It is the policy of Talbot County Public Schools to establish a target range for the General Fund unassigned fund balance and guidelines associated with its use.

I. Guidelines

- A. The Board of Education maintains the general fund unassigned fund balance to address emergency funding needs and as a funding source for the annual operating budget.
- B. The target range established for the general fund unassigned fund balance should not be less than 1/10 of one percent (.1%) of the annual operating expenditures for the subsequent fiscal year budget and should not exceed one percent (1%) for the total budget for the subsequent fiscal year. These funds are to be used for one-time unexpected expenditures (e.g., transfer to capital projects, equipment repairs and purchases, and new program start-up costs).
- C. Should the General Fund unassigned fund balance exceed the 1% target range those fund will become a funding source for the annual operating budget in subsequent years.