

SECTION: FINANCES
 TITLE: UNRESERVED GENERAL FUND BALANCE
 ADOPTED: May 19, 2005
 REVISED: September 21, 2006, November 16, 2023

CARBON CAREER & TECHNICAL INSTITUTE

621. UNRESERVED GENERAL FUND BALANCE	
1. Purpose	<p>It is the policy of the Joint Operating Committee to avoid financial difficulties through the establishment of appropriate Unreserved General Fund Balance resources for contingencies. Sufficient levels of the Unreserved General Fund Balance aim to ensure the continued orderly operation of the school and to maintain its financial stability.</p> <p>Financial stability requires that annual revenues equal annual expenditures. For the short term, the Unreserved General Fund Balance may be used as a revenue; however, the Joint Operating Committee shall not deplete the fund balance, but shall maintain it at a prudent level.</p> <p>The Unreserved General Fund Balance shall be used to provide funds needed during periods of cash flow deficits created by irregular receipt of revenue from federal, state, or local sources. The Unreserved General Fund Balance shall also be utilized to meet costs incurred as a result of unexpected situations during the year such as major equipment breakdowns, unplanned facilities needs, and the requirement for matching funds, etc. In addition, these funds shall also be used to generate additional income through investment when funds are not needed to meet operating expenses.</p>
2. Authority SC 1850.1	<p>Each member of the Joint Operating Committee and each administrator shall be knowledgeable regarding the need for a prudent level of Unreserved General Fund Balance.</p>
3. Delegation of Responsibility	<p>The Business Administrator shall annually propose to the Joint Operating Committee during budget preparation a level of Unreserved General Fund-Fund Balance that is less than or equal to 12.0% of the previous years' audited General Fund expenditures. In the event that the actual Unreserved General Fund Balance exceeds 12.0% of the most recent approved General Fund Financial Statements, CCTI agrees not to increase the overall funding from the participating school districts for the next budgeted year. CCTI will only increase the funding from the participating school districts if the General Fund-Unreserved Fund Balance falls below the 12.0% threshold of the most recent approved audited General Fund Financial Statements.</p>
4. Additional Reference/Information	<p>"PASBO Response to Auditor General's Report on School District Fund Balance," dated January 25, 2023 and Section 688 of the Pennsylvania Public School Code.</p>