

## **611 FINANCIAL POLICIES**

**611.01** The Oregon School District Accounts are maintained in Funds prescribed by the Wisconsin Department of Public Instruction. District funds shall be maintained in accordance with this Policy and in accordance with General Accounting Standards Bureau.

### **611.02 GENERAL FUND**

The General Fund is the District's operating fund and is used to account for all District Financial Resources except those required to be accounted for in other funds.

### **611.03 GENERAL FUND BALANCE**

- 611.03.1 The Board of Education recognizes the need for carrying an operating reserve in the General Fund to:
1. provide adequate working capital sufficient to meet the District's Cash Flow Requirements, thus minimizing any short term cash flow borrowing during the annual operating cycle;
  2. function as a safeguard to fund unanticipated expenses that the District might incur; and
  3. demonstrate fiscal responsibility resulting in a high credit rating, which will help to reduce District borrowing costs and lessen taxpayer burden.
- 611.03.2 In recognition of those needs, the Board shall continually develop fiscally prudent operating budgets. The district's long term financial goal is to achieve and maintain a general fund balance that would alleviate the need to short-term borrow funds for working cash purposes. To meet this goal any excess revenue over expenditures balances that may annually occur will be added to the general fund balance until it reaches a level where short-term borrowing for operations is no longer necessary.
- 611.03.3 In September of each year, the Business Office shall calculate the percentage of general fund balance as compared to the general fund operating expenditures and transfers from the prior years audit report. Should the general fund balance be less than 10% of general fund expenditures and transfers, the Board shall adopt a four-year plan to obtain the minimum 10% general fund balance as outlined above.
- 611.03.4 All funds available to meet this long-term financial goal of the district will be segregated in the Unreserved-Designated area of the general fund balance.
- 611.03.5 To provide good fiscal management of the unreserved, designated fund balance, two separate motions shall be required to approve a combined deficit budget between the General (Fund 10), Special Education Fund (Fund 27) and Community Services Fund (Fund 80). A deficit budget is defined as a budget where the expenditures exceed the revenues for that fiscal year. The first motion must identify the amount of dollars to be budgeted from the unreserved, designated fund balance to the operating budget. A second motion must identify the purpose of the expenditure(s). Both motions shall be approved by a two-thirds vote of the entire Board of Education.

611.03.6 When the Administration ascertains that expenditures are likely to exceed budgeted revenues for a fund, the Administration shall inform the District Treasurer who will report this fact to the full Board of Education at its next regularly scheduled meeting. The Board shall consider what action to take in response. Any use of the unreserved, designated fund balance to fund such a deficit must be approved by 2/3 majority of the Board.

**611.04 SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for proceeds which use are legally restricted for specific purposes. These funds include Special Projects (eg. PL 94-142), Food Service, Community Service and Cooperative Programs.

**611.05 DEBT SERVICE FUND**

The Debt Service Fund is used as required in Section 67.11, Wisconsin Statutes to account for the accumulation of irrevocable debt tax and related revenues and the disbursement of long-term debt principal, interest and related costs.

**611.06 CAPITAL PROJECTS FUND**

The Capital Project Fund is used to account for the acquisition or construction of capital facilities.

**611.07 STUDENT ACTIVITY FUNDS**

Funds raised by or for student activities and all student and parent monies handled by school personnel shall be considered Student Activity Funds. The purpose of these funds are limited to the support or promotion of extracurricular and co-curricular activities of the students.

**611.08 TRUST FUNDS**

Trust Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals (eg. scholarships), private organizations, and/or other governments.

Legal Reference: Wisconsin Statutes Sections 34.05 (3)  
66.042  
120.12 (1)  
120.16

Cross Reference: Appendix A - Money Collection Policy (10/22/91)

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