

School District of Lodi  
**FUND BALANCE**

**No. 662.3**  
(A) 11-13-2006  
(R) 10-12-15

The Board of Education believes there is a need to maintain adequate reserves to provide for adequate cash flow and serve as a safeguard against emergency expenditures and/or unrealized revenues.

The Fund Equity consists of three components: (a) reserved fund balance; (b) unreserved-designated fund balance; and (c) reserved-designated fund balance. The District shall maintain an adequate fund balance as to secure financial stability to prevent borrowing for cash flow purposes within a 3-year period.

The Business Manager shall recommend to the Board for their review and approval, the appropriate designated amounts for each of the fund balance components.

To provide good fiscal management of the unreserved-designated fund balance, two separate motions shall be required to use any portion of these funds for purposes other than meeting cash flow needs after the budget has been approved. The first motion must identify the amount of dollars to be transferred for the unreserved-designated fund balance to the operating budget. The second motion must identify the purpose of the expenditure(s). Both of these motions shall be approved by two-thirds vote of the entire membership of the Board.