

Technical Academies of Minnesota

Adopted: Orig. 6/22/2013

Revised: 8/25/2020

215 POSITIVE FUND BALANCES AND DEFICIT SPENDING

I. PURPOSE

The purpose of this policy is to maintain a positive fund balance and plan for deficit spending if it should occur.

II. GENERAL STATEMENT OF POLICY

- A. School Board members have an obligation to monitor the district's spending. It is the School Board's desire to operate with a positive fund balance and to limit spending when the fund balance falls below 2 months worth of operating cash flow. The School Board will direct the Finance Committee to secure a line of credit if the fund balance falls below the one month operating cash flow amount.

- B. The School Board will direct the Finance Committee to create an 18 month projected budget in times of limited state funding. The Finance Committee will utilize the State's projected payment simulations to set the budget.