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**Policy: 6022**

**Section: 6000 - Management Support**

## **Minimum Fund Balance**

The district recognizes the importance of maintaining a prudent fund balance in the general fund to ensure operational cash flow needs are met, to set aside resources for known obligations, and to help protect against unforeseen circumstances. Accordingly, the district adopts this policy in regards to those portions of fund balance that are in spendable form but are not legally restricted as to their use from outside sources.

Annually, it is in the best interest of Anacortes School District that the board of directors target a goal of four (4%) percent of the prior year's expenditures to address potential general fund needs and continue to maintain an acceptable and adequate minimum fund balance for district operations.

**Legal References:**

[RCW 28A.320.070 School district as self-insurer - Authority](#)  
[RCW 28A.505 School Districts' Budgets](#)  
[28A.505.130 Budget - Requirements for balancing estimated expenditures](#)

**Cross References:**

6040 - Expenditures in Excess of Budget  
6020 - System of Funds and Accounts

**ASD Last Revised: 08/24/2023**  
**Adoption Date: 10/18/2018**  
**Classification: Discretionary**  
**WSSDA Revised Dates: 02.11**