

**I. GENERAL STATEMENT OF POLICY**

The Board of Directors and the Administration of the District shall maintain the District in the most responsible fiscal positions recommended by State law and by the Department of Education, as well as by the most prudent financial consultants available.

**II. RESERVE BALANCE**

In order to maintain such fiscal integrity, the District target is to hold a cash reserve of between 8 and 15 percent of its annual budget. Such a reserve shall be used only for those contingencies for which fiscally responsible bodies usually use them; and, when used, the reserve shall be restored to its desirable level as soon as possible.

**III. TAX LEVY**

Tax levied in order to establish any such reserve shall always be restricted, so that the cash reserve can be established and maintained as originally intended.