

Policy 8101 Undesignated Operating Fund Balance

As the recipient of Wake County funds allocated for use in local public education, the Wake County Board of Education has the responsibility to use these funds efficiently and wisely. The Board of Education maintains an Undesignated Operating Fund Balance to address emergency funding needs and other generally one-time costs not included in the annual budget. In addition, the Board of Education may use Undesignated Operating Fund Balance as a funding source for the annual budget. Any use of the Undesignated Operating Fund Balance requires action by the Board in a public meeting. Management of the Undesignated Operating Fund Balance is one component of effectively managing Wake County appropriated funds.

As a good business practice, the Board of Education sets the following limits on the Undesignated Operating Fund Balance:

- The Board targets maintenance of an Undesignated Operating Fund Balance no greater than 6% of the subsequent year' county appropriation.
- The Board will return to Wake County any Undesignated Operating Fund Balance in excess of the specified 6% target on an annual basis.
- The Board will not use more than 50% of its July 1st Undesignated Operating Fund Balance to provide funding to the following year's annual budget.

Adopted: December 4, 2007

Wake County Schools