

MANAGEMENT OF CAPITAL RESERVES

Capital reserve funds are to be managed in the best interests of the district. All capital reserve accounts shall be initiated by a resolution of the board. The superintendent will report to the board on a regular basis regarding rates of return and make recommendations as needed to best utilize the district's reserves. The superintendent shall specifically report to the board at any time the reserves have fallen below **20%** of the annual budget. The sum of all reserves including contingency funds, depreciation funds and cash reserves may not exceed the percentage of the general fund budget as shown below:

| <u>Average district daily membership</u> | <u>Allowable reserve percentage</u> |
|--|-------------------------------------|
| 0 - 471 | 45 |
| 471.01 - 3,044 | 35 |
| 3,044.01 - 10,000 | 25 |
| 10,000.01 and over | 20 |

Legal Reference: Neb. Statute 79-1027

Revised ___May 11, 2009___