

POLICY REGARDING INTERFUND TRANSFERS AND DESIGNATIONS

The administration has the authority to make interfund transfers and designations. Prior to the end of the fiscal year these transactions shall be subject to approval of the Board. All transfers and designations that have been previously approved by the Board or required by law shall not need end-of-the-year Board approval; this would include transfers between the General Fund and the Auxiliary Activities Fund.

The administration also has the authority to incur expenses that may be greater than adopted budget amounts for Designated, Auxiliary Activities, and Restricted Current Funds. Normally, these expenses will also reflect supplanted revenues and will not require additional commitments of General Fund monies. Such modifications or additions are in keeping with sound business practices and accounting procedures.

The administration also has the authority to designate fund balances in the following classifications:

- Reserve for Working Capital, e.g. cash flow
- Committed for Encumbrances, e.g. liabilities purchased but not received
- Reserve for Contingencies, e.g. unforeseen emergencies
- Unallocated.