

Operational Fund Balance Reduction Instructions

Overview

Public Act 103-0394 amends the School Code.

The Act requires any district that does not receive federal impact aid to calculate the combined, annual average expenditures of its operational funds for the previous three fiscal years, as reported in the school district's most recently audited annual financial reports.

It requires that school boards annually present a written report covering the annual average expenditures of its operational funds for the previous three fiscal years at a board meeting.

If a district's combined cash reserve balance of its operational funds exceeds 2.5 times annual average expenditures of its operational funds for the previous three fiscal years, the school board shall adopt and file with the Illinois State Board of Education (ISBE) a written Operational Funds Reserve Reduction Plan by **December 31**. Please submit the plan to finance1@isbe.net ISBE is required to publish these plans on its internet website.

Instructions

Determination Tab

- Enter in the school district name, RCDT code, and the fiscal year of the most recent Annual Financial Report (AFR) for the district.

School District: ISBE Most Recent AFR Fiscal Year: 2023
RCDT: 00-000-0000-00

- Enter in the total expenditures for the Educational, Operations & Maintenance, and Transportation Funds.
 - Where to find the data: AFR – Acct Summary Tab – Line 17 Total Direct Disbursements/Expenditures: Cells C17, D17, F17

	COVER	TOC	Aud Quest 2	FP Info 3	Fin Profile 4	Assets-Liab 5-6	Acct Summary 7-9
1	A		B	C	D	E	F
				(10)	(20)	(30)	(40)
17	Total Direct Disbursements/Expenditures			0	0	0	0

- Enter in the total cash balances for Educational, Operations & Maintenance, and Transportation Fund.
 - Where to find the data: Latest AFR – Assets-Liab Tab- Line 4 and Line 5: Cells C4+C5, D4+D5, F4+F5.

	COVER	TOC	Aud Quest 2	FP Info 3	Fin Profile 4	Assets-Liab 5-6
1	A		B	C	D	E
				(10)	(20)	(30)
2	ASSETS		Acct. #	Educational	Operations & Maintenance	Debt Services
	(Enter Whole Dollars)					Transportation
3	CURRENT ASSETS (100)					
4	Cash (Accounts 111 through 115) ¹					
5	Investments		120			

- If an Operational Funds Reserve Reduction Plan is required, a notice will appear in cell D16. The district may create its own plan or use the Reduction Plan and Plan Assumptions tabs.

Reduction Plan Tab

- For each fiscal year, enter estimated values for the Local, State, and Federal Receipts/Revenues.
 - Budget form – BudgetSum Tab – Lines 5 – 8.
- For each fiscal year, enter estimated values Disbursements/Expenditures.
 - Budget form – BudgetSum Tab – Lines 13 – 18.
- For each fiscal year, enter estimated values for Other Sources and Other Uses of Funds.
 - Budget form – BudgetSum Tab – Lines 46 and 79

Plan Assumptions

- As part of the cash reserve reduction plan, provide a description to identify any areas of the budget that will be impacted from one year to the next. Sample areas of consideration are provided, but the district can revise these to fit the district's plan to reduce the cash reserve balance.