

**TESFA INTERNATIONAL SCHOOL
FUND BALANCE POLICY (703)**

I. PURPOSE

The purpose of this policy is to insure the financial stability of Tesfa International School, to provide a sound basis to justify continuation of the strong financial rating, and to provide a reserve enabling the school to deal with unforeseen budget expenditures.

II. GENERAL STATEMENT OF POLICY

To ensure the financial strength and stability of Tesfa International School, the board will endeavor to maintain a targeted fund balance of no less than 10% and no more than 20% of our revenues.

The board will review the fund balance target over time to accommodate the changing financial situation and holdback from the state of Minnesota.

Adopted: December 2018