



County Technical Assistance Service

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School Budget Fund Balance

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other e-Li material.

Sincerely,

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School Budget Fund Balance

Reference Number: CTAS-97

Unexpended education funds remaining at the end of a fiscal year are carried forward in the education fund balance. The fund balance may be used to offset shortfalls of budgeted revenue or, with the approval of the school board and the county legislative body, to meet unforeseen increases in operating expenses. Any accumulated fund balance in excess of three percent of the budgeted annual operating expenses for the current fiscal year may be budgeted and expended for any education purposes, but must be recommended by the board of education prior to appropriation by the county legislative body. In any fiscal year in which state-shared revenues distributed to counties are reduced below the levels distributed to counties in the 2002-2003 fiscal year, any or all of the accumulated fund balance may be used for education purposes without restrictions. T.C.A. § 49-3-352.

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