



## CONSOLIDATED SCHOOL DISTRICT OF NEW BRITAIN

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### Board Policy Statement 3432.10 – Self-Insurance Fund, Fund Policy Approved on March 8, 2021

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The Chief Financial Officer (Director of Finance) and or Designee shall oversee the management oversight and recommends annual funding level of the School District Self Insurance Fund for Health Coverage for District Employees.

#### I. Overview

The annual goal for the Self Insurance Fund is to maintain a positive fund balance in the range of 25% to 35% but not to exceed 70% of current year expenses, excluding the annual year end adjustment for incurred but not reported expenditures (IBNR).

IBNR are claims that are incurred prior to June 30<sup>th</sup> but are paid after the close of the year in the months of July and August. It is a requirement to adjust the financials to reflect these expenditures which also includes reversing out the prior year July and August claims that were for the previous year. This adjustment is made around October 1<sup>st</sup>. The Board of Education annual financial report filing with the State of CT, Department of Education needs to be filed with the State Department of Education by September 1<sup>st</sup> for the prior year.

#### II. Annual

Commencing with fiscal year ending June 30, 2022, and each year thereafter, the Board of Education **shall not maintain** a Self-Insurance Fund Balance **in excess of 70% of current year expenses**, excluding the annual year end adjustment for incurred but not reported expenditures (IBNR).

#### III. Financial Reporting to Board of Education

The Board of Education will be provided quarterly reports commencing with quarter ending September which will consist of:

- Comparison of current year actual versus prior year actual
- Projected current year versus prior year end actuals

Additionally, in the event of an anticipated surplus in excess of the allowable 70%, the Superintendent, in coordination with her Cabinet, will prepare a report of any immediate needs within the district that could reasonably be addressed with a one-time expenditure along with recommendations for action by the Board.