

Purpose

To identify the categories of fund balance and who has the authority to establish amounts in the categories for financial statement and reporting purposes.

Definitions

Nonspendable fund balance – Amounts that cannot be spent due to form. For example, inventories, prepaid amounts, long-term loans and notes receivable. Also includes amounts that must be maintained and intact legally or contractually such as a corpus or principal of a permanent fund.

Restricted fund balance – Amounts constrained by external parties, constitutional or enabling legislation.

Committed fund balance – Amounts constrained for a specific purpose by a government using its highest level of decision making authority. It requires action by the same group to remove or change the constraints placed on the resources

Assigned fund balance - For all governmental funds other than the unrestricted fund, any remaining positive amounts not classified as nonspendable, restricted or committed. For the unrestricted fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned balance

Unassigned fund balance - For the unrestricted fund, amounts not classified as nonspendable, restricted, committed or assigned. The unrestricted fund is the only fund that would report a positive amount in the unassigned fund balance. For all other governmental funds other than the unrestricted fund, amount expended in excess of resources that are nonspendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

Policy Statement

The elected Board of Education is the highest level of decision-making authority. The board, through formal action, is the only body that can commit fund balance. The elected board delegates to the Superintendent or designee the authority to assign fund balance. In the event an expenditure is made from multiple fund balance classifications, the order of spending will be committed, assigned, and unassigned.

Legal Reference			
Policy History	Adopted	Reviewed	Revised June 14, 2011