

OPERATIONAL SERVICES

FISCAL MANAGEMENT – FUND BALANCE AND RESERVE

Definitions

Fund Balance - the difference between assets and liabilities in a District Fund.

Nonspendable Fund Balance – the portion of a District Fund's fund balance that is not available to be spent, either short term or long term, in either form or through legal or contractual restrictions.

Restricted Fund Balance – the portion of a District Fund's fund balance that is subject to external enforceable legal restrictions.

Committed Fund Balance – the portion of a District Fund's fund balances with self-imposed constraints or limitations that have been authorized by the highest level of decision making.

Assigned Fund Balance – the portions of a District Fund's fund balance to denote an intended use of resources.

Unassigned Fund Balance – available expendable financial resources in the Education Fund that are not restricted, committed or assigned or negative fund balances in other governmental funds.

Policies

- A. It is the policy of the District to maintain a minimum fund balance in each of District's operating Funds, exclusive of the Bond and Interest Fund, sufficient to fund expenditures for a period of at least four months. This Cash Flow Commitment in each Fund is adjusted annually with the adoption of the annual budget and is calculated as one-third (33%) of annual Fund expenditures (not including transfers to other funds). This minimum fund balance amount is maintained as "Unassigned" fund balance
- B. The District will spend the most restricted dollars before less restricted, in the following order:
 1. Nonspendable (if funds become spendable),
 2. Restricted,
 3. Committed,
 4. Assigned,
 5. Unassigned.
- C. The Board of Education acts as the District's highest level of decision making. Action is required in order to establish, modify or rescind a commitment of fund balance.

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- D. The Superintendent (or his/her designee) has been authorized by the Board of Education to assign fund balance for a specific purpose.
- E. This policy may be amended from time to time according to the wishes of the Board of Education.

Adopted: October 11, 2012