

SECTION: FINANCES

TITLE: FUND BALANCE

ADOPTED: FEBRUARY 26, 2016

SPRINGFIELD SCHOOL DISTRICT

	<p style="text-align: center;">620. FUND BALANCE</p> <p>1. Purpose The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school district and is fiscally advantageous for both the district and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the district.</p> <p>2. Definitions Fund balance is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund.</p> <p>GASB Statement 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts shall be reported in the following classifications:</p> <p>Restricted - amounts limited by external parties, or legislation (e.g., debt covenants and grants).</p> <p>Committed - amounts limited by Board policy or Board action (e.g., future anticipated costs). Action must be taken by the Board to commit fund balance for the designated purpose prior to the end of the fiscal year.</p> <p>Assigned - amounts that are intended for a particular purpose. Generally balances in special revenue funds or capital project funds will be designated as assigned.</p> <p>Unassigned - amounts available for consumption or not restricted in any manner.</p> <p>3. Authority SC 511, 218, 688 An official Board resolution shall be required to establish, modify or rescind a commitment of fund balance.</p>
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<p>4. Guidelines</p>	<p>The district will strive to maintain an unassigned general fund balance of not less than four (4%) percent and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.</p> <p>The total fund balance, consisting of several portions including restricted, committed, assigned and unassigned, may exceed eight percent (8%).</p> <p>If the combined unassigned portion of the fund balance falls below the threshold of four percent (4%) of budgeted expenditures, the Board may pursue options for increasing revenues and decreasing expenditures, or a combination of both until four percent (4%) is attained.</p> <p>The Board authorizes the administration to transfer the unassigned fund balance in excess of seven percent (7%) of the General Operating Budget to the Capital Reserve Fund.</p>
<p>5. Delegation of Responsibility</p>	<p>The Finance Committee may authorize the Executive Director of Operations or designee to assign fund balance for items deemed appropriate at any time prior to the issuance of the audited financial statements for a given year.</p> <p>DISCLAIMERS: <i>This policy is superseded by all current federal and state laws and mandates.</i></p> <p><i>This online posting is an electronic copy from Springfield School District's manual of currently adopted policies. The policies on this site are for informational purposes only and do not reflect updating activities in progress. It may be used for information and reference purposes only regarding issues of concern. Certified date-stamped copies are available from the District Open Records Officer and are valid for issues of concern within two (2) weeks of the stamped date.</i></p>