

SECTION: FINANCES  
 TITLE: FUND BALANCE  
 ADOPTED: April 18, 2011  
 REVISED:

# TURKEYFOOT VALLEY AREA SCHOOL DISTRICT

## 620. FUND BALANCE

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.

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.

GASB Statement 54 classifies fund balances 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:

**Non-spendable** – amounts that cannot be spent because they are in a non-spendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Restricted** – amounts limited by external parties, or legislation (e.g., grants or donations).

**Committed** – amounts limited by Board policy (e.g., future anticipated costs).

**Assigned** – amounts that are intended for a particular purpose, such as a rate stabilization fund or segregation of an amount intended to be used at some time in the future.

**Unassigned** – amounts available for consumption or not restricted in any manner.

3. Delegation of Responsibility

The responsibility for designating funds to specific classifications shall be as follows:

1. Non-spendable – may be assigned by the Business Manager.

2. Restricted – may be assigned by the Business Manager.
3. Committed – shall be assigned by the Board.
4. Assigned – may be assigned by the Finance Committee or Business Manager.

The

{ } Superintendent

{ } Business Manager

or designee shall be responsible for the enrollment of this policy.

References:

School Code – 24 P.S. Sec. 218, 688