



Central Islip Union Free School District

Board of Education & School District Policy Book

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Section	Section Title	Type
6000	Fiscal Management Goals	Local
Policy	Policy Title	
6212	Fund Balance	

1. Purpose: The Board of Education 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:
 - a. Fund balance is a measurement of available fund resources and represents the difference between total assets and total liabilities in each fund. Government Accounting Standards Board ("GASB") Statement No. 54 distinguishes fund balance classification based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. Beginning with the most binding constraint, fund balance amounts will be reported by the District in the following classifications:
 - I. 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).
 - II. Restricted: Amounts limited by external parties or litigation (e.g. grants or donations).
 - III. Committed: Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority (i.e. Board of Education). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.

- IV. Assigned: Amount intended to be used for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the Board delegates the authority.
 - V. Unassigned: Amounts available for consumption or not restricted in any manner. These amounts are only reported in the General Fund.
3. Guidelines: The fund balance of the District's General Fund has been accumulated to provide stability and flexibility and to respond to unexpected adversity and/or opportunities.

The target is to maintain an unassigned fund balance of 4% of the estimated annual operating expenditures for the ensuing fiscal year.

The District's basic goal is to maintain annual expenditures at growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain an unrestricted fund balance of 4% of the expected expenditures stems from the need to support normal operating costs for the District and to provide fiscal stability.

The order by which the District will spend restricted and unrestricted (unassigned) fund balance will be evaluated on an annual basis based on the current financial conditions.

4. Delegation of Responsibility: The Assistant Superintendent for Business or designee shall be responsible for the enforcement of this policy.

1st Reading: November 14, 2011

2nd Reading: December 12, 2011

Adoption Date: December 12, 2011