

WILLIAMSBURG COMMUNITY SCHOOL DISTRICT

SECTION: FINANCES

TITLE: FUND BALANCE

ADOPTED: 6/28/2011

REVISED:

620. FUND BALANCE	
1. Purpose	<p>The Board of School Directors of the Williamsburg Community School District 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>
2. Definitions	<p>Fund Balance – is a measurement of available financial resources as determined by the difference between total assets and total liabilities in each fund.</p> <p>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:</p> <p>Nonspendable – amounts that cannot be spent because they are in a nonspendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., principal of a permanent fund, unclaimed moneys fund).</p> <p>Restricted – amounts with use that is constrained by external parties (e.g., grants or donations), legislation, other governments or laws (constitutional provisions, charters, or enabling legislation) that are legally enforceable.</p> <p>Committed – amounts with limits imposed through formal action of the Board of School Directors that are not legally enforceable and are separate from the authorization to raise the revenue (e.g., future anticipated costs).</p>

	<p>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.</p> <p>Unassigned – amounts available for consumption that are not restricted, committed, assigned, or otherwise designated in any manner</p>
3. Delegation of Responsibility	<p>The responsibility for designating funds to specific classifications shall be as follows:</p> <ol style="list-style-type: none"> 1. Nonspendable – 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 Business Manager <p>The Superintendent or his/her designee shall be responsible for the enforcement of this Policy.</p>
4. Guidelines	<p>All references to fund balance shall be assumed to be the Unassigned Fund Balance, unless specifically stated otherwise.</p> <p>At the time of budget planning and adoption for the next fiscal year, the current year's final fund balance is not yet determined. The June 30th fund balance becomes known several months after the June 30th fiscal year end when the annual financial reports are finalized by the Director of Business & Finance in conjunction with the local auditor.</p>
53 P.S. Sec. 1431 <i>et seq.</i>	<p>The school District will strive to maintain an Unassigned General Fund Balance of not less than two percent (2%) and not more than twelve percent (12%) of the budgeted expenditures for that fiscal year.</p>
24 P.S.	<p>If the Unassigned General Fund Balance falls below the threshold of one percent (1%), the Board shall pursue efforts to increase revenues and/or decrease expenditures, or a combination of both, until a one percent (1%) Unassigned General Fund Balance is attained. If the assigned and unassigned portions of the fund balance exceed eight percent (8%) of budgeted expenditures, the Board may utilize a portion of the Unassigned General Fund Balance by appropriating excess funds for nonrecurring expenditures only. If the assigned and unassigned portions of the</p>

Sec. 6-688	Unassigned General Fund Balance exceed twelve percent (12%) of budgeted expenditures, then the Board shall have the option of either utilizing a portion of the funds for nonrecurring expenditures or designating a portion of the balance to the Capital Reserve Fund.
	<p>References:</p> <p>School Code – 24 P.S. Sec. 218, 688</p> <p>Public Improvements and Buildings – 53 P.S. Sec. 1431 <i>et. seq.</i></p>