

RANCHO SANTA FE SCHOOL DISTRICT

Board Policy No. 3002: FUND BALANCE POLICY

A. The Governing Board hereby adopts the fund balance classifications set forth in the Governmental Accounting Standards Board (GASB) Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*.

B. In accordance with GASB 54, external financial reports shall report fund balances in the general fund within the following classifications based on the relative strength of constraint placed on the purposes for which resources can be used:

1. *Nonspendable fund balance*, including amounts that are not expected to be converted to cash, such as resources that are not in a spendable form or are legally or contractually required to be maintained intact.
2. *Restricted fund balance*, including amounts constrained to specific purposes by their providers or by law.
3. *Committed fund balance*, including amounts constrained to specific purposes by the Board.

For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period (June 30), although the actual amounts may be determined subsequent to that date prior to issuance of the financial statements.

4. *Assigned fund balance*, including amounts which the Board or its designee intends to use for a specific purpose.

The Board delegates authority to assign funds to the assigned fund balance to the Superintendent and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. The Superintendent may delegate this authority to the Chief Business Officer at his/her discretion. The Board has authority to remove or change the assignment of funds by a majority vote of the Board.

5. *Unassigned fund balance*, including amounts that are available for any purpose.

C. When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first and then unrestricted, unless legal requirements disallow it.

Legal Reference: Governmental Accounting Standards Board (GASB) Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*.

Date Policy Adopted By The Board: November 19, 2024