

## Accounting and Financial Reporting

### Fund Balance Designation

Government Accounting and Standards Board ruling GASB 54 requires fund balances to be reported in classifications that “comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.”

The ending balance for all funds must be designated per the following categories set forth by GASB 54:

1. Nonspendable – Funds which cannot be spent;
2. Restricted – Amounts subject to externally enforceable legal restrictions (e.g., imposed by grantors, contributors, governmental regulations, etc.);
3. Committed – Amounts whose use is constrained by limitations that a government imposes upon itself;
4. Assigned – Intended use of resources established by the governing body itself, or by an official or officers to which authority is delegated by the governing body;
5. Unassigned – Available for any purpose (reported only in the General Fund.)

### Assignments

Authority to classify portions of ending fund balance as assigned, is hereby granted to the superintendent and/or business manager.

### Spending as it Relates to Ending Fund Balance Policy

The Board considers the spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the Board will consider that committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.

1. Committed Fund Balances – The ending balance of each of the funds is “committed” in accordance with the purposes stated for each fund or program in the adopted budget.
2. Restricted Fund Balances – The ending balance of all grant related special revenue funds (including food service) shall be designated as restricted for the sole uses intended by the granting authorities.

Ending balances in student body funds are restricted for the benefit and intent associated with each of the student body groups who generate the funds.

Debt Service Funds are “restricted” for payment of principal and interest related with the associated debt offerings.

### **Expenditures from and Control of Student Body Funds**

1. All student body fund expenditures must be approved by the principal and at least one additional staff member in charge of the student activities program.
2. All expenditures from the general account of student body funds must also be approved by the school-recognized student government organization, if any. If no such organization exists, then an alternative group of nonemployees of the district must be substituted. These expenditures must directly benefit the student body.
3. All expenditures of student body funds on behalf of the specific school-recognized student group must be approved by the members of that organization and their staff advisor.
4. Student body funds shall be administered within each local school. The principal and the person in charge of the student activities program shall be responsible for administration of the building student body funds.
5. Student organization treasurers are encouraged to be involved in the administration of student body fund accounts.
6. All student body fund monies shall be receipted and deposited according to district policy and generally accepted accounting principles and procedures.
7. Student body funds shall be audited annually by an independent auditor.
8. Student body funds may be used as a temporary repository for other funds such as Weekly Reader, towel fees and similar funds.