

SECTION: FINANCES

TITLE: MAINTENANCE OF FUND
BALANCE
1/20/14 REV

ADOPTED: February 20, 1997

REVISED: February 6, 2014

COUNCIL ROCK SCHOOL DISTRICT

<p>1. Purpose</p>	<p style="text-align: center;">620. MAINTENANCE OF FUND BALANCE</p> <p>The Board of School Directors of the Council Rock School District recognizes the importance of maintaining and managing a fund balance. This Policy provides guidance concerning the desired level of unassigned fund balance maintained by the District to mitigate financial risk and is intended to comply with Section 688 of the School Code, 24 P.S. § 6-688, and GASB Statement No. 54.</p>
<p>2. Definitions</p> <p>GASB Statement 54 at this LINK, and attached to this Policy as Addendum #1</p> <p>3. Policy</p> <p>24 P.S. § 6-688</p>	<p>Fund Balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund. GASB Statement 54 defines the types of fund balances that a school district may hold.</p> <p>The responsibility for designating funds to specific classifications shall be as follows:</p> <p style="padding-left: 40px;">Committed Fund Balance – The Board of School Directors is the District’s highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.</p> <p style="padding-left: 40px;">Assigned Fund Balance – The Board of School Directors has authorized the Superintendent and the Business Administrator as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.</p> <p><i>Minimum Unassigned Fund Balance</i></p> <p>It is the goal of the District to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 5% of the following year’s budgeted expenditures. If the unassigned fund balance at fiscal year-end falls below 4%, the District shall develop a restoration plan to achieve and maintain the minimum fund balance.</p> <p>When the unassigned fund balance is in excess of 5%, the Superintendent and/or Business Administrator shall make recommendations to the Board of School Director for the use of these funds. Funds in excess of 5% will only be reallocated upon a majority vote of the Board of School Directors.</p>