

York Adams Academy

Section: Finances
 Title: Fund Balance
 Adopted: January 29, 2013
 Revised: January 29, 2013

	620. FUND BALANCE
1. Purpose	The Board recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the school and is fiscally advantageous for both the school and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the school.
2. Definitions	Fund balance is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund.
	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:
	Nonspendable - amounts that cannot be spent because they are in a nonspendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).
	Restricted - amounts limited by external parties, or legislation (e.g., grants or donations).
	Committed - amounts limited by Board policy (e.g., future anticipated costs).
	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.
	Unassigned - amounts available for consumption or not restricted in any manner.
	The total fund balance, consisting of several portions including committed, assigned and unassigned, may exceed twenty percent (20%).

	<p>If the unassigned portion of the fund balance falls below the threshold of ten percent (10%), the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both until ten percent (10%) is attained. If the assigned and unassigned portions of the fund balance exceeds twenty percent (20%) of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.</p>
4. Delegation of Responsibility	<p>The responsibility for designating funds to specific classifications shall be as follows:</p>
	<p>1. Nonspendable – may be assigned by the Business Manager.</p>
	<p>2. Restricted – may be assigned by the Business Manager.</p>
	<p>3. Committed – shall be assigned by the Board.</p>
	<p>4. Assigned – may be assigned by the Finance Committee or Business Manager.</p>
	<p>References:</p> <p>School Code – 24 P.S. Sec. 218, 688</p>