

## AR 3400 MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

The District will use the following table to classify fund balance components based on what constraints are placed on how resources can be used and the identification of the source of those constraints. The spending prioritization will determine the order in which fund balance will be spent.

### Fund Balance Classification:

Fund Balance Classification	Policy Interpretation
Nonspendable	<ul style="list-style-type: none"> <li>• Consumable Inventories</li> <li>• Prepaids</li> <li>• Property held for resale</li> <li>• Noncurrent loans and contracts receivable must be examined. These may be classified as nonspendable, restricted, committed or assigned based on the restrictions placed on the usage of the loan repayments.</li> </ul>
Restricted	<ul style="list-style-type: none"> <li>• Resources are restricted for use by the:               <ul style="list-style-type: none"> <li>• Alaska Constitution</li> <li>• Federal government</li> <li>• Debt covenants</li> <li>• External parties</li> <li>• Grantors</li> </ul> </li> <li>• Contract commitments</li> <li>• A restricted fund balance can never be negative.</li> </ul>
Committed	<ul style="list-style-type: none"> <li>• Resources are restrained for use by School Board action</li> <li>• Commitments may <u>only</u> be changed or lifted by the Board taking the same formal action that imposed the constraint originally.</li> <li>• Commitments of fund balance <u>must</u> be in place before the end of the fiscal year. A committed fund balance can never be negative.</li> </ul>
Assigned	<ul style="list-style-type: none"> <li>• Resources are restrained for use by the School Board.</li> <li>• Amounts that are not restricted or committed and intended to be used for the purpose of the fund.</li> <li>• Assignments can occur any time before issuance of financial statements.</li> <li>• Assignment ability has been delegated by the Board to the Superintendent or designee.</li> </ul>

	<ul style="list-style-type: none"> <li>• An assigned fund balance can never be negative. Assignments can never cause the overall fund balance to be negative.</li> </ul>
Unassigned	<ul style="list-style-type: none"> <li>• A positive balance is only reportable in general fund.</li> <li>• May be negative (deficit) fund balance for other fund types.</li> </ul>

Spending Prioritization:

The District's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

*Added 10/11*

*Reviewed 10/2014*

*Reviewed 2/2021*

*Reviewed 3/2022*

*Reviewed 6/2024*

**Craig City School District**