

Parkrose School District 3

Code: DI-AR
Adopted:

FUND BALANCE DESIGNATION

GASB 54, a ruling by the Government Accounting and Standards Board effective for the fiscal year ending June 30, 2011, 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:

- **Non-spendable** – Funds which cannot be spent.
- **Restricted** – Amounts subject to externally enforceable legal restrictions (imposed by grantors, contributors, governmental regulations, etc.)
- **Committed** – Amounts whose use is constrained by limitations that a government imposes upon itself.
- **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.
- **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 the Director of Business Services and Operations.

Spending as it Relates to Ending Fund Balance Policy

The Board of Education 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 following funds is “Committed” in accordance with the purposes stated for each fund or program in the FY 2010-2011 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.

END OF POLICY

Legal References: