
GASB 54 FUND BALANCE

POLICY ISSUE / SITUATION:

GASB 54, a statement issued by the Governmental Accounting Standards Board, 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 in 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).

BACKGROUND INFORMATION:

Assignments

It is recommended the authority to classify portions of ending fund balance as Assigned be granted to the Superintendent and the Chief Financial Officer.

Spending as it Related to Ending Fund Balance Internal Controls

The Board of Directors 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.

RECOMMENDATION:

It is recommended that the Board of Directors approve the following resolution:

(13-314) BE IT RESOLVED The Board of Directors for the Beaverton School District hereby direct the Superintendent and the Chief Financial Officer to designate ending fund balances in accordance with GASB 54 requirements.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.