

Resolution Establishing Fund Balance Procedures As Required By GASB 54

May 22, 2018

SUMMARY:

This item requests approval of establishing fund balance procedures as required by GASB 54.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will: demonstrate effective and efficient management of district resources.

PREVIOUS BOARD ACTION:

The Resolution to establish the fund balance procedures as required by GASB 54 was last approved on June 13, 2017.

BACKGROUND INFORMATION:

As required by GASB 54, the committed fund balance for a specific source must be approved by formal action of the Board of Trustees prior to the end of the fiscal year. The amount need not be stated prior to year end. The Board delegates authority to the Superintendent or the Assistant Superintendent of Administrative Services to assign fund balance as appropriate. The District shall strive to maintain an annual fund balance in the general operating fund in which the unassigned fund balance is 15 percent of the total operating expenditures.

SIGNIFICANT ISSUES:

A resolution duly adopted by the Board of Trustees to commit the fund balance for a specific source, delegate authority to assign fund balance, and strive to maintain unassigned fund balance in the general operating fund at 15 percent of the total operating expenditures must be passed in order to be in compliance with GASB 54.

FISCAL IMPLICATIONS:

None

BENEFIT OF ACTION:

The district will be in compliance with GASB 54.

PROCEDURAL AND REPORTING IMPLICATIONS:

The approved Resolution of the Board of Trustees to commit the total fund balance of Campus Activity Funds reported in the Special Revenue Fund and the delegation of authority to assign fund balance as appropriate will provide compliance with GASB 54.

ALTERNATIVES:

No alternative actions are proposed.

SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the resolution to commit total fund balance of Campus Activity Funds, delegate authority to assign fund balance as appropriate to the Superintendent or the Assistant Superintendent of Administrative Services, and strive to maintain an annual fund balance in the general operating fund in which the unassigned fund balance is at 15 percent of the total operating expenditures.

STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services
Vicki Garcia, Executive Director Financial Operations
Julie Simpson, Director of Finance

ATTACHMENT:

Fund Balance Resolution

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____