

FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS

School district accounting practices will follow state and federal laws and regulations, generally accepted accounting principles (GAAP) and the uniform financial accounting system provided by the Iowa Department of Education. As advised by the school district's auditor, determination of liabilities and assets, prioritization of expenditures of governmental funds and provisions for accounting disclosures shall be made in accordance with governmental accounting standards.

In Governmental Accounting Standards Board (GASB) Statement No. 54, the board identifies the order of spending unrestricted resources applying the highest level of classification of fund balance - restricted, committed, assigned, and unassigned - while honoring constraints on the specific purposes for which amounts in those fund balances can be spent. A formal board action is required to establish, modify and or rescind a committed fund balance. The resolution will state the exact dollar amount. In the event, the board chooses to make changes or rescind the committed fund balance, formal board action is required.

The Board authorizes the Superintendent to assign amounts to a specific purpose in compliance with GASB 54. An 'assigned fund balance' should also be reported in the order of spending unrestricted resources, but is not restricted or committed.

Fund Balance clarification/examples are:

- Nonspendable- not in spendable form (inventories) or required to remain intact (long-term loans or receivables)
- Restricted- spendable by directive- Grants (Title Programs) and State Code (PPEL and categorical)
- Committed- specific purposes imposed or removed by formal board action
- Assigned- constrained for special purposes without board action (debt service or capital projects)
- Unassigned- All other general fund balances or negative amounts in other funds (long term debt)

It is the responsibility of the superintendent to develop administrative regulations implementing this policy. It is also the responsibility of the superintendent to make recommendations to the board regarding fund balance designations.

Legal Ref.: Iowa Code §§257.31(4); 279.8; 297.22-.25; 298A.

ADOPTED: 7/11/11

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