

SCHOOL DISTRICT OF WAUPACA

SERIES 600 FISCAL MANAGEMENT

CODE: 611

FUND BALANCE

The Board of Education places the responsibility of administering the budget, once adopted, with the District Administrator. The District Administrator shall monitor the general fund balance and shall report the balance to the Board at the end of each budget year. The fund balance shall be maintained at a level sufficient to avoid short term borrowing for cash flow purposes. The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the district to be in a strong fiscal position that will allow for better position to weather negative economic trends.

Fund balances will be reported in the categories established by the Government Accounting Standards Board Statement (GASB 54) and in consultation with District auditors. The Board will impose constraints on any funds placed in the committed and assigned classifications through consultation with the District's auditor. The applicable categories for fund balance designations are:

1. Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
2. Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
3. Committed Fund Balance consists of funds that are set aside for a specific purpose by the district's highest level of decision making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
4. Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. The Board of Education may transfer these funds to another category.
5. Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

If, during the fiscal year, it appears to the District Administrator that the fund balance will be less than estimated, the District Administrator will bring forward for Board consideration recommendations that will protect the fund balances. Such recommendations shall be in accordance with requirements of the law.

ADOPTED: 031312

REVISED:

REVIEWED:

LEGAL REFERENCE:

CONTRACT REFERENCE:

CROSS REFERENCE:

The School District of Waupaca does not discriminate on the basis of sex, race, religion, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability.