

**RESOLUTION ESTABLISHING POLICIES FOR FUND BALANCE
GERVAIS SCHOOL DISTRICT #1**

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 District wants to maintain a minimum general fund ending fund balance of 1 month or 8% of general fund expenditures. The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted on-time expenditures. The District’s minimum Fund Balance Policy requires a Reserve for economic uncertainties

The District will strive to maintain total General Fund discretionary reserves equal to 5% - 10% of annual General Fund operating expenditures. Further, priority should be given to increase reserve levels. In addition, consideration should be given to increase reserve levels should resources become available. Additional resources need not be set aside at this time for economic uncertainties, but used to further other board goals.

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 Business Manager.

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.

NOW THEREFORE the Board of Education for the Gervais School District #1 hereby makes the following designations of ending fund balances and revenues for specific uses:

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 adopted budget:
 - Fund 202- Textbook Reserve / Technology pertaining to Curriculum
 - Fund 232 – Private Grant Funds
 - Fund 240 – Facility Improvements
 - Fund 241 – Telecom and Technology Infrastructure
 - Fund 261/262 – Co-Curricular Activities
 - Fund 270/275-Fee Classes

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.

3. **Debt Service Funds**
 - Funds are “**Restricted**” for payment of principal and interest related with the associated debt offerings.