

BUSINESS AND INSTRUCTIONAL OPERATIONS

SUBJECT: Minimum Fund Balance

Definitions

Fund Balance – the excess of assets over liabilities in governmental funds

Nonspendable fund balance – Amounts that are not in a spendable form or are required to be maintained intact. Nonspendable amounts include, but are not limited to, stores inventory, cash in banks, and pre-paid expenses

Restricted fund balance – Amounts constrained to specific purposes by their providers such as grantors and bondholders or through constitutional provisions or enabling legislation

Committed fund balance – Amounts constrained to a specific purpose by the district's Governing Board, its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Governing Board takes action to remove or change the constraint

Assigned fund balance – Amounts a district intends to use for a specific purpose; intent can be expressed by the Governing Board, Superintendent, or designee

Unassigned – Amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund Balance Classification Assignments

The Board shall approve fund balance amounts as committed, assigned, or unassigned upon adoption of its annual budget or with approval of its interim, estimated actuals, or unaudited actual reports.

Committed amounts will be determined by cabinet review of projected or actual fund balance amounts during preparation of the district's financial reports during the year and analysis of future needs. Those amounts will be classified as committed in each financial report. The Governing Board will approve committed balance amounts with their approval of the district's adopted budget and/or interim, estimated actuals, and unaudited actual financial reports. Balances may be uncommitted by the Governing Board formal action either through a separate resolution or with the district's adopted budget, interim, estimated actuals, or unaudited actual financial reports.

Assigned balances will be allocated by the Director of Fiscal Services during preparation of the district's annual budget, interim, estimated actuals, and unaudited financial reports. Assigned balances will be determined by review of actual or projected amounts remaining in certain accounts which may include, but are not limited to site discretionary

and lottery allocations, and donation accounts. Assigned balances will be those amounts remaining in accounts that are typically returned to the site or department, at the Board's discretion, after the close of a fiscal year. The Governing Board will approve assigned balance amounts with the district's adopted budget and/or interim, estimated actuals, and unaudited actual financial reports.

Unassigned balances will be allocated by the Director of Fiscal Services during the preparation of the district's annual budget, interim, estimated actuals, and unaudited financial reports. It will include the 3% reserve and will be the allocated based on the formula listed under the Minimum Fund Balance.

Fund Balance Spending Order

The district will spend the most restricted dollars before less restricted in the following order:

1. Nonspendable - if the funds become spendable
2. Restricted
3. Committed
4. Assigned
5. Unassigned

Minimum Fund Balance

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 expenditures. The district's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3% of General Fund expenditures and other financing uses:

1. To meet state required minimum reserve levels

This policy may be amended from time to time by resolution of the Jurupa Unified School District Governing Board.