

Fund Balance/Spending Policy

Introduction

The purpose of this document is to recommend policies regarding appropriate levels of Fund Balances and Retained Earnings for the School Department Operating Fund.

This policy is intended to provide guidelines for budget decisions relative to the appropriate use of resources and the maintenance of adequate reserves sufficient to ensure that programs and services continue to students when unanticipated expenditures, emergencies and/or fluctuations in revenue sources occur.

A. School General Unrestricted Operating Fund – Unassigned Undesignated Fund Balance (as defined per [GASB 54](#))

The School Department shall maintain an unreserved unassigned fund balance of no less than one percent of its general operating expenditures. These funds will be limited to one time emergency expenses. The intent is to avoid deficit spending for specific emergencies outlined below:

1. Excess expenses for Heating and Electricity that exceed budget.
2. Excess expenses related to Special Education; such as, but not limited to out-of-district placements and special education services.
3. Excess expenses for Medical Insurance for employees who exercise their option for coverage as defined by the medical plan document and labor contracts.

These funds cannot be used for hiring additional personnel.

After completion of the annual audit, if the undesignated unassigned fund balance exceeds 1% of the prior year's operating budget, the excess funds shall be designated assigned for capital projects and will be transferred into the applicable School Improvement Capital Reserve Funds for use on non-recurring expenditures.

The Barrington Public Schools shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last.

Approved 04/23/09

Amended 06/23/11