

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 Barrington Public Schools' 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.

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 two percent of its general operating expenditures. The use of these funds will be limited to one-time emergency expenses subject to the School Committee's approval, as possible, with the intent to avoid deficit spending for emergencies or unanticipated program needs. Some examples are outlined below:

1. Excess expenses for Heating and Electricity that exceed the 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 related to unanticipated transportation needs.
4. Excess expenses for Medical Insurance for employees who exercise their option for coverage as defined by the medical plan document and labor contracts.
5. Excess expenses related to pandemics and natural disasters.

After completion of the annual audit, if the undesignated unassigned fund balance exceeds two percent 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.

Approved 04/23/09

Approved 06/23/11

Approved 5/28/2020