

West Bonner County School District

FINANCIAL MANAGEMENT

7250

Fund Accounting System (GASB Statement 54)

To enhance the usefulness of fund balance information the District will provide clear fund balance classifications and use fund type definitions consistently.

The policy is designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District should maintain adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies.

Fund Types

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The following funds are maintained by the District:

- **The General Fund** is used to account for all financial resources not accounted for and reported in another fund.
- **Special Revenue Funds** are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.
- **Debt Service Funds** are used to account for all financial resources restricted, committed or assigned to expenditure for Superintendent and interest.
- **Capital Projects Funds/Plant Facilities Funds** are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.
- **Permanent Funds** are used to account for resources restricted to the extent that only earnings, and not principle, may be used for purposes that support the District's purposes.

Note: The above list is not comprehensive and the District may have other funds such as an Activities Fund.

Fund Number	Fund Description
100	General Maintenance and Operations
101-104	Supplemental Levies
150	Contingency Reserve
130	General Fund Grants
220	Federal Forest Funds

241	Drivers Education
243	Vocational Education
251	Title I
257	IDEA Part B
258	IDEA Part B Preschool
263	Carl Perkins
271	Title II
290	Child Nutrition
420	Plant Facility Fund
424	Bus Acquisitions
700	Scholarships

Fund Balance Reporting in Governmental Funds

The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report all fund types in any give reporting period, based on actual circumstances and activity.

- **Non-spendable Fund Balance**
Includes amounts that cannot be spent because they are either:
(a) Not in spendable form; or
(b) Legally or contractually required to be maintained intact.
- **Restricted Fund Balance**
Includes amounts that can be spent only for the specific purposes stipulated by District policy, external resource providers, or through federal regulations or State laws or rules.
- **Committed Fund Balance**
Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.
- **Assigned Fund Balance**
Includes amounts intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed.

Authority to Assign - The Board delegates to the Superintendent or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

- **Unassigned Fund Balance**
Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Prioritization of Fund Balance Use

The Board's primary role in adopting this policy is to identify the order of spending unrestricted resources and to acknowledge that the Board is the ultimate decision making authority with regard to committing balances upon recommendation of the Superintendent or designee.

If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing committed, then assigned, then unassigned fund balances will be used.

Guidelines

Classifying Fund Balance Amounts

Fund balance classifications depict the nature of the net resources that are reported in a fund. An individual fund may include non-spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Encumbrance Reporting

Encumbering amounts for specific purposes for which resources have already been restricted, committed, or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth above.

Implementation and Review

The Board authorizes the Superintendent to establish any standards and procedures which may be necessary for its implementation. The Superintendent shall review this policy and any procedures regarding its implementation at least annually and make any recommendations for changes to the Board.

West Bonner County School District uses the Idaho Financial Accounting Reporting Management System (IFARMS) as the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of comprehensive periodic financial reports. The coding structure will meet the fundamental requirements of Idaho Code Section 33-701 relating to the fiscal affairs of school districts.

Legal Reference: I.C. § 33-901 et seq. School Funds
 I.C. § 33-701 et seq. Fiscal Affairs of School District
Governmental Accounting Standards Board ("GASB") Statement No. 54

Policy History:

Adopted on: March 12, 2008

Revised on: April 18, 2012

Revised on: February 5, 2013