

**RAINIER SCHOOL DISTRICT
GASB 54 FUND BALANCE**

POLICY ISSUE / SITUATION:

GASB 54, a statement issued by the Governmental Accounting Standards Board 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 ending balance for all funds must be designated per the following categories set forth in 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).

BACKGROUND INFORMATION:

Assignments

It is recommended the authority to classify portions of ending fund balance as Assigned be granted to the Superintendent and the Business Manager.

Spending as it Related to Ending Fund Balance Internal Controls

The Board of Directors 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.

RECOMMENDATION:

It is recommended that the Board of Directors approve the following resolution:

BE IT RESOLVED The Board of Directors for the Rainier School District hereby direct the Superintendent and Business Manager to designate fund balances in accordance with GASB 54 requirements.

The above resolution statements were approved and declared adopted on the 22nd day of February 2021.

Kari Hollander, Board Chair

Dr. Joseph Hattrick, Superintendent/Clerk