

SUGAR VALLEY RURAL CHARTER SCHOOL

POLICY NUMBER: 621
SECTION: FINANCES
TITLE: **FUND BALANCE**
DATE ADOPTED: MARCH 2015
DATE LAST REVISED:

FUND BALANCE

PURPOSE

It is the purpose of this policy to manage the fund balance and provide a structure for fund assignment.

DEFINITION

For purposes of this policy, **fund balance** shall include the funds of SVRCS that are assigned, unassigned or committed.

AUTHORITY

The fund balance and designation of funds shall be designed to reflect the Board's goals and objectives concerning the education of students. Therefore, the assignment of funds shall be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. The financial requirements of district programs shall be reviewed on a continual basis.

GUIDELINES

Fund balance measures the net financial resources available to finance expenditures of future periods.

SVRCS's Unassigned General Fund Balance will be maintained to provide the School with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Trustees.

Fund Balance of the School may be committed for a specific source by formal action of the SVRCS Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by formal action of the SVRCS Board of Trustees. The Board resolution(s) must be approved on or before June 30 for the fiscal year to which it applies. The resolution must state the purpose for which the funds are being committed, but does not have to specify the amount. The amount can be determined after the audit is finished but prior to the financial statements being finalized.

When it is appropriate for fund balance to be assigned, the Board delegates authority to the School's Finance Committee in consultation with the Chief Executive Officer and Business Manager.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

To the extent that anything in this policy could be construed to conflict with applicable state and/or federal laws, financing documents, and/or the charter application or adopted charter, the applicable state and/or federal laws and/or the charter application or adopted charter control.