

MEDFORD AREA PUBLIC SCHOOL DISTRICT

DATE ADOPTED: September 15, 2011 FILE SECTOR: FISCAL MANAGEMENT
DATE REVISED: September 15, 2016 POLICY TITLE: FUND BALANCE
DATE REVISED: January 23, 2023

The Medford Area Public School District recognizes the need to maintain an adequate unassigned fund balance in the General Fund as a safeguard to address unexpected expenses and unrealized revenues and to reduce the need for short-term borrowing.

Fund Balance amounts will be reported in conformance with generally accepted accounting principles and shall be reclassified not less than the end of each fiscal year (June 30) for general purpose financial statements. Any budget account fund balances at the end of a given year that are not classified as nonspendable, restricted or committed will be added to the District's unassigned fund balance in the General Fund. The District shall report inventories, long-term receivables and amounts legally or contractually required to be maintained intact as nonspendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue trust fund, debt service funds, food service fund, community service fund and any other fund established by a regulatory authority shall be classified as restricted.

The board of education (BOE) may, from time to time, commit fund balance resources for a specific purpose. Such action shall be taken in an open meeting and requires the approval of the BOE. To the extent BOE action regarding any fund balance amounts under this policy constitutes a change in the amounts of the appropriations or the purposes for such appropriations as stated in an adopted school district budget, a two-thirds vote of the entire membership of the BOE shall be required, and a legal notice of the action taken shall be issued as required by law. Commitments, once made, can be modified or removed only by similar BOE action. The BOE delegates authority to assign fund balance resources for a specific intended purpose to the district administrator. The assignment of fund balance resources for a specific purpose must be reasonably justified, documented and reported to the board.

Fund balance resources shall be spent in the following order when various funding sources are available for a particular purpose: (1) restricted fund balances, (2) committed fund balances, (3) assigned fund balances and (4) unassigned fund balances.

The district will maintain a minimum unassigned fund balance in its General Fund ranging from 15% to 25% of the subsequent year's budgeted expenditures and outgoing transfers.

Surplus fund balance - should unassigned fund balance of the General Fund ever exceed the maximum 25% range, the district will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

The director of business services shall review this policy at least annually and make any recommended changes to the BOE.

CROSS REFERENCE: [DEFINITIONS](#)

LEGAL REFERENCE: GASB Statement No. 54