

## RAYMOND SCHOOL DISTRICT POLICY - DIA

### Fund Balances

In accordance with the governmental accounting standard, GASB Statement No. 54, the Raymond School District recognizes the following five categories of fund balance for financial reporting purposes:

1. **Non-spendable Fund Balance**, i.e. non-cash assets such as inventories or prepaid items.
2. **Restricted Fund Balance**, i.e. funds legally restricted for specific purposes, such as grant, food service and expendable trust funds.
3. **Committed Fund Balance**, i.e. amounts that can only be used for specific purposes pursuant to a formal vote of the School Board.
4. **Assigned Fund Balance** i.e. amounts intended by the School Board for specific purposes. The Board can choose to delegate this authority to the Superintendent or Business Administrator, depending on the situation. Items that would fall under this type of fund balance would be encumbrances.
5. **Unassigned Fund Balance**, i.e. residual spendable fund balance after subtracting all of the above amounts.

#### **Committed Fund Balance**

The School Board may spend fund balances by formal vote prior to the School District's fiscal year-end for that fiscal year. Future modification or rescission of committed funds must likewise be accomplished by formal vote of the School Board prior to fiscal year-end.

#### **Assigned Fund Balance**

The School Board expressly delegates to the Superintendent, through the Business Administrator, the authority under this policy to assign funds for particular purposes.

#### **Spending Prioritizations**

When expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, as defined above, it will be paid from restricted funds. When expenditure is incurred that qualifies for payment from any of the three unrestricted fund balance categories, as defined above, it will be applied in the following order:

1. Committed Fund Balance
2. Assigned Fund Balance
3. Unassigned Fund Balance

#### **Deficit Fund Balance**

At year end if any of the special revenue funds, i.e. food service, etc. has a deficit unassigned fund balance, the Superintendent is authorized to transfer funds from the general fund to cover the deficit, providing the general fund has money to do so.

#### **Unassigned General Fund Balance**

The School Board will return any unassigned general fund balance at year-end to the Town of Raymond to offset the next year's tax rate.

#### **Legal References**

RSA 32, Municipal Budget Law  
RSA 33, Municipal Finance Act  
RSA 35, Capital Reserve Funds

Governmental Standards Board Statement 54 (GASB 54)

Adopted: August 3, 2011  
Reviewed: March 8, 2023