

FUND BALANCE AND RESERVE FUNDS

GOALS

The district is authorized to establish and maintain reserve funds in accordance with New York State law, including but not limited to statutes, and the rules, regulations and opinions of the Commissioner of Education and the Office of the State Comptroller. The district shall comply with the reporting requirements of the Governmental Accounting Standards Board (GASB), including GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Any and all district reserve funds shall be properly established and maintained to promote the goals of:

- (1) assuring openness, transparency and accountability in the use of public funds;
- (2) planning for anticipated and unanticipated needs, expenditures and events;
and
- (3) maintaining an unassigned fund balance of at least two percent (2%) of the budget for the upcoming fiscal year.

PERIODIC REVIEW

Annual Report: The administration shall prepare and submit an annual report of all reserve funds to the board. The annual report shall include the following information for each reserve fund:

- (1) the type and description of the fund;
- (2) the date the fund was established and the amount of each sum paid into it;
- (3) the interest earned by the fund;
- (4) capital gains or losses resulting from the sale of investments of the fund;
- (5) the total amount and date of each withdrawal from the fund;
- (6) the total assets of the fund, showing cash balance and a schedule of investments; and

- (7) an analysis of the projected needs for the fund in the upcoming fiscal year and a recommendation regarding funding those projected needs.

Fund Balance Projections: The administration shall closely monitor all district reserves and fund balance. Monthly fund balance projections shall be provided to the board of education beginning in December in order to reasonably estimate year-end unappropriated (unassigned) fund balance. Within any current budget year, board approval must be obtained for any expenditure of funds requiring the use of unappropriated (unassigned) fund balance.

AUTHORITY TO ASSIGN

The board delegates to the administration the authority to assign amounts to be used for encumbrances, subject to final approval of the board. Such assignments shall not exceed the available fund balance in any particular fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the administration shall make recommendations to the board to determine the order of the expenditure of funds.

BOARD FIDUCIARY RESPONSIBILITY

The board shall utilize the information in the annual and monthly reports to make necessary decisions to adequately maintain and manage the district reserve fund balances, according to the board's role and responsibility as a fiduciary of the district and its public funds. The board shall annually determine the amount of fund balance appropriated for the upcoming year's budget.

To this end, the board is authorized to engage independent experts and professionals, including but not limited to auditors, accountants, legal counsel and other finance professionals and organizations, as necessary, to assist in the monitoring of district finances, including adequacy and appropriateness of fund balance and reserve funds.

ADMINISTRATIVE REGULATIONS AND PERIODIC REVIEW

The Superintendent of Schools shall develop appropriate regulations to implement this policy. The superintendent shall review this policy annually and make recommendations to the board for amendments to the policy, if necessary.

Adopted: January 7, 2014