

**EASTERN  
WESTMORELAND  
CAREER &  
TECHNOLOGY CENTER**

SECTION: FINANCES  
TITLE: FUND BALANCE  
ADOPTED: APRIL 22, 2015  
REVISED:

<p>1. Definitions</p> <p>2. Authority</p>	<p style="text-align: center;">620. FUND BALANCE</p> <p><b>Fund balance</b> is a measurement of available financial resources. Fund balance is the difference between total assets and total liabilities in each fund.</p> <p>GASB Statement 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts shall be reported in the following classifications:</p> <p><b>Restricted</b> - amounts limited by external parties, or legislation (e.g., debt covenants and grants).</p> <p><b>Committed</b> - amounts limited by Joint Operating Committee policy or Joint Operating Committee action (e.g., future anticipated costs). Action shall be taken by the Joint Operating Committee to commit fund balance for the designated purpose prior to the end of the fiscal year.</p> <p><b>Assigned</b> - amounts that are intended for a particular purpose. Generally balances in special revenue funds or capital project funds will be designated as assigned.</p> <p><b>Unassigned</b> - amounts available for consumption or not restricted in any manner.</p> <p>An official Joint Operating Committee resolution shall be required to establish, modify or rescind a commitment of fund balance.</p>
---	---

<p>3. Guidelines</p>	<p><u>Use Of Fund Balance</u></p> <p>Restricted fund balance shall be reduced to the extent that the underlying reason for the restriction has been eliminated.</p> <p>If the center experiences an excess of expenditures over revenues for a given fiscal year, the fund balance shall be consumed in the following order:</p> <ol style="list-style-type: none"><li>1. Restricted fund balance to the extent that expenditures related to the restriction contributed to the excess of expenditures over revenues.</li><li>2. Committed fund balance to the extent that expenditures related to the commitment contributed to the excess of expenditures over revenues. If a plan for periodic use of the committed fund balance is reviewed and approved by the Joint Operating Committee, the committed fund balance will not be reduced by more than the amount designated in the plan.</li><li>3. Assigned fund balance to the extent that expenditures related to the assignment contributed to the excess of expenditures over revenues.</li><li>4. Unassigned fund balance for any remaining excess of expenditures over revenues.</li></ol>
<p>4. Delegation of Responsibility</p>	<p>The Business Manager or designee may assign fund balance for items deemed appropriate at any time prior to the issuance of the audited financial statements for a given year.</p> <p>The Business Manager or designee shall be responsible for the enforcement of this policy.</p> <p>References:</p> <p>School Code – 24 P.S. Sec. 218, 688</p>