

**Board Policy DCL: Fund Balance**

**Status:** ADOPTED

**Original Adopted Date:** 11/16/2011 | **Last Revised Date:** 12/14/2011 | **Last Reviewed Date:** 12/14/2011

**Fiscal Goals and Objectives**

The DeKalb County Board of Education recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the DeKalb County School District and is fiscally advantageous for both the District and its taxpayers. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the District to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The District also seeks to maintain the highest possible credit ratings which are dependent, in part, on the District's maintenance of an adequate fund balance.

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

Fund balance amounts will be reported in the following categories, listed from most to least restrictive:

1. **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
2. **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties (e.g., grants or donations) or imposed by law through either constitutional provision or enabling legislation.
3. **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board (e.g., the Board's commitment in connection with future construction projects). Commitments may be changed or lifted only by the same form of formal action that imposed the constraint originally.
4. **Assigned fund balance** – amounts intended to be used by the District for specific purposes as determined by the Superintendent or a designee.
5. **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts may be used for any legal purpose.

The District shall strive to achieve and maintain combined unassigned, assigned, and committed fund balances in the general fund at fiscal year end of between 5% and 7% of budgeted expenditures while complying with O.C.G.A. 20-2-167(a)5.

---