



## **POLICY NO. 3510**

### **FUND BALANCE**

To maintain the financial integrity and stability for the benefit of the District of Broward County, Florida (District), The School Board of Broward County, Florida (School Board) shall maintain its General Fund Ending Fund Balance and The Capital Projects Fund Reserve sufficient to address normal contingencies.

#### **RULES**

##### **I. Compliance**

- A. The School Board's Fund balance shall be in compliance with the requirements of the Florida Statutes, Governmental Accounting Standards Board, Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, and generally accepted accounting principles.
- B. In compliance with and as defined by GASB 54, the School Board's Fund balance shall be reported in the following five (5) classifications, as applicable:
  - 1. Nonspendable Fund Balance
  - 2. Restricted Fund Balance
  - 3. Committed Fund Balance
  - 4. Assigned Fund Balance
  - 5. Unassigned Fund Balance

##### **II. Balance Level**

- A. General Fund.

1. The goal of the General Fund ending fund balance not classified as restricted, committed, or nonspendable is to strive to attain five percent 5% of the total General Fund revenues during any current fiscal year.
  2. To maintain the financial integrity and stability of the District, the goal of the General Fund's Unassigned fund balance is to strive to attain three percent (3%) of General Fund revenues for unanticipated needs due to an emergency or unforeseen circumstance.
- B. Capital Projects Fund. The goal of the Capital Projects Fund reserve is to strive to attain a contingency balance of not less than ten percent (10%) of the current fiscal year's estimated capital improvement tax revenues. The Capital Projects contingency fund shall not be utilized without School Board's prior approval.

### **III. Reporting**

- A. The Superintendent shall provide the School Board with interim financial statements that include the current projected percentage of the General Fund ending fund balance not classified as restricted, committed, or nonspendable, as it relates to the total General Fund revenues, at least on a quarterly basis based upon the School Board's fiscal year.
- B. If at any time the portion of the General Fund's ending fund balance not classified as restricted, committed, or nonspendable falls below three percent (3%) of the General Fund revenues during the current fiscal year, the Superintendent shall provide written notification to the School Board and the Commissioner of Education. If such financial condition exists for two (2) consecutive fiscal years, the Superintendent shall reduce the School District's administration expenditures reported pursuant to Section 1010.215(4), Florida Statutes in proportion to the reduction in the General Fund's ending balance or the reduction in student Enrollment, whichever is greater.
- C. If at any time the portion of the General Fund's ending fund balance not classified as restricted, committed, or nonspendable is projected to fall below two percent (2%) of the projected General Fund revenues during the current fiscal year, the Superintendent shall provide written notification to the School Board and the Commissioner of Education.

Policy Custodian: Accounting and Financial Reporting  
Former Policy Number(s): 3111

Policy Status: Active

Authority: Sections 1001.42, 1001.43(2), and 1011.051, Florida Statutes

History: Policy Adopted 04/18/06

Amended: