

**SAU #15 SAU BOARD
FUND BALANCE POLICY**

1. In accordance with the governmental accounting standard, GASB Statement No. 54, the SAU Board recognizes the following seven categories of fund balance for financial reporting purposes of SAU funds:
 - a. Non-spendable Fund Balance – non-cash assets such as inventories or prepaid items.
 - b. Restricted Fund Balance – funds legally restricted for specific purposes, such as grant, food service and expendable trust funds.
 - c. Committed Fund Balance – amounts that can only be used for specific purposes pursuant to a formal vote of the SAU Board.
 - d. Assigned Fund Balance – amounts intended by the SAU Board for specific purposes. The SAU 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 could be encumbrances.
 - e. Unassigned Fund Balance – residual spendable fund balance after subtracting all of the above amounts.
 - f. Restricted Funds – Restricted funds are monies set aside for a particular purpose as a result of the designated giving. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit. Such as restricted fund balance for Food Service, or prepaid items.
 - g. Unrestricted Funds – Unrestricted funds may be used for any legal purpose appropriate to the organization. In line with unassigned fund balance, expenditures are made at the discretion of the organization.
2. Committed Fund Balance. The SAU Board, commit fund balance by a formal vote prior to the fiscal year-end for that fiscal year. Future modification or rescission of committed funds must likewise be accomplished by a formal vote of the SAU Board prior to fiscal year-end.
3. Assigned Fund Balance. The SAU Board expressly delegates to the Superintendent, through the Business Administrator, the authority under this policy to assign funds for particular purposes.
4. Spending Prioritizations:
 - a. When an expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds.
 - b. When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied in the following order:
 - 1) Committed,
 - 2) Assigned,
 - 3) Unassigned.

Adopted: June 8, 2016

Revised: September 21, 2022