

**UNIONVILLE-
CHADDS FORD
SCHOOL DISTRICT**

SECTION: FINANCES

TITLE: UNASSIGNED FUND
BALANCE

ADOPTED: December 13, 2010

REVISED:

620. UNASSIGNED FUND BALANCE	
<p>1. Purpose</p>	<p>The Board recognizes that the maintenance of a fund balance is essential to the preservation of the sound financial condition of the District, to the ability of the District to contain or reduce costs through participation in self-insurance programs, and to protect the bond rating of the District.</p> <p>The Board also recognizes the importance of neither deferring costs to the future nor using accumulated resources to provide current-period services. It further recognizes that management of the unassigned fund balance is a critical means of achieving this equilibrium.</p>
<p>2. Authority</p> <p>24 PS 6-688</p>	<p>The District will maintain an unassigned fund balance in the range of a minimum of five (5) percent of the following year’s budgeted expenditures to the maximum amount permitted by the Commonwealth of Pennsylvania. The monies in the fund balance will only be expended with the specific authorization of the Board of Directors for unexpected financial obligations.</p>
<p>3. Guidelines</p> <p>24 PS 6-688</p>	<p>Unassigned Fund Balance will not be utilized as a revenue source to offset current operating expenditures. Interest income generated by the maintenance of a fund balance will be used to balance the General (Operating) Fund budget and to offset fluctuations in tax revenues needed to maintain ongoing programs and services.</p> <p>At the end of each fiscal year, funds in excess of unassigned fund balance (in the range of a minimum of five percent (5%) of budgeted expenditures to the maximum amount permitted by the Commonwealth of Pennsylvania), as certified by the local auditors of the School District, shall be transferred to the Capital Reserve Fund of the School District (or such other reserve funds designated by the Board of School Directors). Expenditures may be made from reserve accounts only upon the approval of the Board of School Directors.</p>