

FISCAL ACCOUNTING AND REPORTING

The Board of Education insists on clear, complete, and detailed accounting of all financial transactions for which the Board is held accountable.

Accounting and Reporting Systems

The system of accounts will conform to the Uniform System of Accounts for School Districts, as defined by the State Comptroller's Office. In addition, accounting and reporting will adhere to generally accepted governmental accounting standards. The accounting system will yield information necessary for the Board to make policy decisions and perform its oversight function.

The Board directs the Business Official to keep informed of changes in state and/or Government Accounting Standards Board (GASB) accounting requirements and implement changes, as appropriate. The Board expects that the Business Official will communicate new standards and/or requirements to the Board so that the Board can carry out its responsibilities.

Proposed expenditures will be budgeted under and the actual expenditures will be charged to categories that most accurately describe the purpose for which monies are to be spent.

The Board directs the Treasurer to keep it informed of the financial status of the district through monthly cash reconciliation and budget status reports and annual fiscal reports. The Treasurer should highlight any deviation in actual fiscal conditions from planned fiscal conditions and offer recommendations to the Board to remedy the situation. The Business Official will prepare and submit, through the Superintendent, to the Board and the Commissioner of Education, such reports as are prescribed by law. These shall be filed with appropriate governmental bodies as required under law or regulation. The district will cooperate with governmental agencies and research organizations as required by law for data concerning the fiscal operations of the district.

The district shall be audited annually by an independent certified public accountant or a public accountant. The auditor's report shall be adopted by resolution and a copy shall be filed with the Commissioner of Education.

The Superintendent or designee is hereby directed to respond to all audit findings and recommendations. Such response is to include a statement of the corrective actions taken or proposed to be taken, or if action is not taken or proposed, an explanation of reasons, as well as a

Adopted:	08/03/2011
2nd reading (Revised):	08/03/2011
1st reading (Revised):	07/12/2011
Adopted:	06/20/2011
2nd reading (replacing 3430):	06/20/2011
1st reading (replacing 3430):	06/01/2011

statement on the status of corrective actions taken on findings or recommendations contained in any previous report of examination or external audit, or any management letter for which a response was required.

The Superintendent or designee shall also ensure that the provisions contained in the General Municipal Law in regard to audit reports are followed.

Fund Balance

Fund Balance Classifications (pursuant to GASB Statement 54)

Fund balance amounts will be reported by the District according to the following classifications:

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Because the State regulates the establishment, funding and use of school district reserves, generally, reserves will be classified as restricted fund balance.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The New York State Office of the State Comptroller at the present time believes that in New York State school districts will not have any committed fund balance.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the board or by their designated official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned Fund Balance generally includes encumbrances and appropriated fund balance.

Unassigned – represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

General Policy

Fund balance measures the net financial resources available to finance expenditures of future periods. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education.

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Any portion of Fund Balance may be applied or transferred for a specific purpose only by formal action of the Board of Education. Amendments or modification to the applied or transferred fund balance must also be approved by formal action of the Board of Education. The formal action required to commit fund balance shall be by approved board resolution.

The Board of Education delegates authority to assign fund balance for a specific purpose to the Chief Business Official of the District.

On an annual basis the Board shall assess the current financial condition of the District and determine the optimum account balance within each classification of its fund balances. Accordingly, if the District's annual budget includes an appropriation of the reserve(s) or if there is an appropriation of a reserve(s) during the year through board resolution the Board shall determine by the end of the year how much of the appropriation of the reserve(s) should be transferred from the reserve(s) into the unassigned fund balance. Transfers shall not exceed the amount of expenses incurred during the year relating to the particular reserve(s). The Board shall determine before the end of each year whether or not to authorize an amount to be transferred from the unassigned fund balance into an approved reserve(s).

Cross-ref: 1120, School District Records
6660, Independent/External Audit

Ref: Education Law §§1610; 1721; 2117; 2528; 2577; 2590-i
General Municipal Law §§33; 34
8 NYCRR §§155.1; 170.1; 170.2
GASB Statement #54