

## FUND BALANCE POLICY

### I. PREFACE

The fund balance policy establishes a framework for the management of all excess funds managed by the Londonderry School District. The policy is in accordance with GASB Statement 54; management of fund balance. It also provides guidance and direction for elected and appointed officials as well as staff in the use of excess funds at year-end.

### II. SCOPE

This fund balance policy applies to all funds in the custody of the School District Treasurer of the Londonderry School District, Londonderry, New Hampshire. These funds are accounted for in the District's annual audited financial reports and include, but are not limited to, the following:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Any new funds created by the District, unless specifically exempted by the governing body; in accordance with state law or GASB pronouncements.

### III. OBJECTIVE

General fund: In accordance with current state law RSA 32:7 all excess funds in the general fund must be returned to the tax payers to offset the upcoming tax rate. However, the School District may through the use of a special article(s) designate excess funds at year-end for the following purposes:

- Maintenance of Buildings and Grounds
- SPED Out of District placements
- One-time capital needs or improvements

Special Revenue Fund: Currently the School District has one special revenue fund; Food Service. This fund unlike the general fund can and should retain a minimum amount of excess funds for financial stability. It is recommended that the food service fund maintain a fund balance of at least 3.0% of gross revenues of the last audited fiscal year.

*Statutory Reference(s):*

RSA 32:7

GASB Statement 54

LONDONDERRY SCHOOL BOARD

Adopted: June 7, 2011