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| **Business and Non-Instructional Operations**  **FUND BALANCE POLICY** | BP 3112(a) |

College and Career Advantage (CCA) Regional Occupational Program hereby establishes and will maintain reservations of Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This policy shall only apply to CCA’s governmental funds. Fund Balance shall be composed of nonspendable, restricted, committed, assigned, and unassigned amounts.

* **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
* **Restricted Fund Balance** consists of funds that are mandated for specific purposes by external parties, constitutional provisions or enabling legislation.
* **Committed Fund Balance** consists of funds that are set aside for a specific purpose by CCA’s highest level of decision-making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
* **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by CCA’s highest level of decision-making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.
* **Unassigned Fund Balance** consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls**.**

**Minimum Fund Balance Policy**

The Board of Trustees maintains a minimum fund balance policy for the General Fund in order to protect CCA against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than four percent of General Fund expenditures and other financing uses.

**Authority to Commit Funds**

The Board of Trustees is the highest level of decision-making authority for CCA. Commitments may be established, modified, or rescinded only through budget adoption or resolutions as approved by the Governing Board.

**Authority to Assign Funds**

The Governing Board, Executive Director, or designee may assign amounts for specific purposes.

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| **FUND BALANCE POLICY (continued)** | BP 3112(b) |

**Annual Review and Determination of Fund Balance Reserve Amounts**

Compliance with the provisions of this policy shall be reviewed, presented, and discussed as part of the Unaudited Actuals Financial Reporting process and presentation to the Governing Board. The amounts of nonspendable, restricted, committed, assigned, and unassigned fund balances shall be reported in the unaudited actuals report.

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| Policy  adopted: June 16, 2011  revised: December 18, 2023 | **COLLEGE AND CAREER ADVANTAGE**  San Juan Capistrano, California |