

POLICY NO. 2019-4
FUND BALANCE POLICY FOR THE VILLAGE OF INNSBROOK, MISSOURI

FUND BALANCE CATEGORIES.

- **Non-Spendable Fund Balance** – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. The “non-spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable.
- **Restricted Fund Balance** – The restricted fund balance classification includes amounts that reflect constraints placed on the use of resources (other than non-spendable items) that are either (a) externally imposed by creditors (such as through bonded debt reserve funds required pursuant to debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action (for example legislation, resolution, ordinance) it employed to previously commit those amounts.
- **Assigned Fund Balance** – The assigned fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established by (a) the governing body itself or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- **Unassigned Fund Balance** – The unassigned fund balance classification includes amounts that do not fall into one of the above categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report a positive balance in this category of fund balance.

PRIORITIZATION OF FUND BALANCE USE. The order in which fund balances will be spent will be the following: 1-Restricted balances, 2-Committed, 3-Assigned, and 4-Unassigned. This order will be used for the reporting of fund balances in financial statements. However, the Board of Trustees may determine it is in the best interest of the Village to deviate from the order outlined in this policy.

AUTHORITY TO COMMIT FUNDS. The Board of Trustees has the authority to set aside funds intended to be used for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution by a majority vote.

AUTHORITY TO ASSIGN FUNDS. Upon passage of the Fund Balance Policy, authority is given to the Board of Trustees to assign funds intended to be used for a specific purpose as authorized by the Board of Trustees or an individual granted authority by the Board.

The foregoing policy is hereby approved and adopted by the Board of Trustees of the Village of Innsbrook, Missouri this 11th day of June, 2019 and effective immediately.

Jeffry S. Thomsen, Chairman
Village of Innsbrook Board of Trustees

Attest:

Carla Ayala
Village Administrator/Clerk

(seal)

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