

## SPENDING PRIORITIZATION

The following regulation has been adopted by the Bristol Virginia School Board in order to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*.

The Bristol Virginia Public Schools sets the following spending prioritization policy: When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first, unless legal requirements disallow it or unrestricted funds will be lost if not utilized. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School Board has provided otherwise in its commitment or assignment actions.

In the fund financial statements, the Board denotes the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amount that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the School Board. Commitments may be modified or rescinded only through resolutions approved by the School Board.

Assigned – includes amount that the School Board intends to use for a specific purpose, but does not meet the definition of restricted or committed fund balance. Amounts may be assigned by the Superintendent, or his designee.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the Operating Fund.

**Approved: by the Bristol Virginia School Board on September 11, 2017.**