

Fund Balance Classifications

The fund balance classifications discussed below apply to all governmental funds — general funds, special revenue funds, debt service funds, capital projects funds and permanent funds.

Classification	Definition	Example
<p><i>* The long-term portion of loans and receivables can be classified as nonspendable in general revenue fund 0001 only. For all other governmental funds, classify the long-term portion of loans and receivables as restricted, committed or assigned, depending on the loan or receivable constraints.</i></p>		
<p>Nonspendable</p>	<p>This classification includes amounts that cannot be spent because they are either:</p> <ul style="list-style-type: none"> • Not in a spendable form. –OR– • Legally or contractually required to be maintained intact. 	<p>Corpus (or principal) of a permanent fund, consumable inventories, merchandise inventories, prepaid items, long-term portion of loans and receivables (general revenue fund 0001 only).*</p>
<p>Restricted</p>	<p>This fund balance is reported as restricted when constraints placed on the use of resources are either:</p> <ul style="list-style-type: none"> • Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments. –OR– • Imposed by law through constitutional provisions or enabling legislation. 	<p>Restrictions in place by the Texas Constitution, the federal government, debt covenants and/or external parties. Debt Service funds (FT 03) will have a restricted fund balance.</p>

Classification	Definition	Example
Committed	<p>Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the state's highest level of decision-making authority (the Legislature) are reported as committed fund balance.</p> <p>Those committed amounts cannot be used for any other purpose unless the Legislature removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.</p>	<p>Restrained for use by state legislative action (such as a law becoming state statute).</p> <p>Many of the General Revenue-Dedicated funds will have a committed fund balance.</p>
Assigned	<p>Amounts constrained by the agency's intent to be used for specific purposes that are neither restricted nor committed are reported as assigned fund balance.</p>	<p>Restrained for use by agency governing board and/or agency head.</p>
Unassigned	<p>This is the residual classification for the general fund. The net resources of the general fund in excess of nonspendable, restricted, committed and assigned fund balances (a surplus fund balance) are classified as unassigned fund balance.</p> <p>In all other governmental funds, the excess of nonspendable, restricted and committed fund balances over total fund balance (a deficit fund balance) is classified as unassigned.</p> <div data-bbox="496 1430 992 1633" style="border: 1px solid black; padding: 5px;"> <p>Note: With the exception of the stabilization fund, the general revenue fund (fund 0001) is the only fund that can report a positive unassigned fund balance.</p> </div>	<p>The stabilization fund ("the rainy day fund") will have an unassigned fund balance if it does not meet the criteria of specific conditions.</p>