

# HOUSE RESEARCH

## Bill Summary

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### Overview

School districts are required to adopt and use a uniform system of records and accounting. The adopted system, a modified accrual accounting system, is known as Uniform Financial Accounting and Reporting System (UFARS). Under UFARS (see Minn. Stat. §§ 123B.75 to 123B.83 ), every district must maintain three operating funds and three nonoperating funds. UFARS and the state's public indebtedness statute for municipalities prohibit certain types of fund transfers between nonoperating and operating funds. UFARS also prohibits funds from being moved from a reserved account. The funds in the reserved for capital account are reserved and must be used only to purchase equipment or for facilities purposes.

### Section

- 1 **Fund transfer; Russell.** Authorizes independent school district No. 418, Russell, to transfer up to \$160,000 from its reserved for capital account in its general fund without to the undesignated general fund balance.