HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 191   **DATE:** February 2, 2001
Version: As Introduced

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Subject: Fund Transfer; Isle School District

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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 and 475.61), 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 the movement of money from a reserved account.

In 1991, school districts were granted up to $300,000 in levy authority for disability access projects. Many school districts have used all of their levy authority. Some school districts did not use all of their levy authority. A few school districts levied the full amount for projects, but have not spent all of the money (some of these districts have had changes in the use and or composition of their school buildings which has led to a balance remaining in the reserve account). H.F. 191 authorizes a transfer from the reserved account for disability access account to the undesignated general fund balance.

Section

1   **Fund transfer; Isle.** Authorizes independent school district No. 473, Isle, to permanently transfer up to $175,000 from its reserved account for disability access to its undesignated general fund balance. Requires the district to demonstrate to the commissioner's satisfaction that school buildings are accessible to students or employees with disabilities prior to making the fund transfer.