

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 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. Additionally, UFARS prohibits a district from transferring money from a reserved account to another account.

Section

- 1 **Fund transfer; Cleveland.** Authorizes independent school district No. 391, Cleveland, to transfer up to \$107,000 from its reserved operating capital account in its general fund to the undesignated balance in its general fund.