

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 699

DATE: March 13, 2005

Version: As Introduced

Authors: Magnus and others

Subject: Fund Transfer; Ruthton School District

Analyst: Tim Strom, 651-296-1886

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

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.

A school district is also prohibited from diverting money from a reserved account to another purpose. Money in the reserved for capital operating account must only be used for equipment or facilities needs.

This bill authorizes Independent School District No. 584, Ruthton, to transfer up to \$140,000 from its reserved capital account to the undesignated general fund balance.

Section

- 1 Fund transfer; Ruthton.** Authorizes independent school district No. 584, Ruthton, to transfer up to \$140,000 from its reserved capital account in the general fund to its undesignated general fund balance.