

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.

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

This bill authorizes Independent School District No. 2895, Jackson County Central, to transfer up to \$400,000 from its reserved account for operating capital to its undesignated general fund balance.

Section

- 1 Fund transfer; Jackson County Central.** Authorizes Independent School District No. 2895, Jackson County Central, to transfer up to \$400,000 from its operating capital account to its undesignated general fund balance.

