

Subject Fund Transfer; Minnetonka School District

Authors Morrison and others

Analyst Tim Strom

Date March 4, 2019

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 every district must maintain a number of operating funds (e.g., general fund, food service, community service) and nonoperating funds (e.g., building construction, debt service, trust, and agency). UFARS, statutory reserves, and the state's public indebtedness statute prohibit certain types of fund transfers between funds and from certain reserved accounts.

For fiscal years 2012 through 2017, a special law allowed districts to make transfers among reserved accounts as long as those transfers did not affect state aid payments or levy amounts, but still prohibited transfers from the community service fund to other funds.

This bill authorizes the Minnetonka school district to transfer up to \$2,400,000 from its community education reserve account to the reserved for operating capital account for construction of an early childhood classroom addition.

Summary

Section	Description
1	Fund transfer; Minnetonka school district. Authorizes Independent School District No. 276, Minnetonka, to transfer up to \$2.4 million from its community education reserve account in the community service fund to the reserved operating capital account in its general fund. Requires that the amount transferred be used only for the costs of constructing and equipping an early childhood classroom addition.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155