

Subject Fund Transfer for West St. Paul-Mendota Heights-Eagan School District

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Overview

Minnesota's school districts and charter schools are required to use a uniform system of records and accounting for their money. The adopted system, a modified accrual accounting system, is called the Uniform Financial Accounting and Reporting Standards system or UFARS. UFARS requires districts to maintain separate operating funds and nonoperating funds and limits movement across certain funds. Individual school finance programs may also include a reserve on a particular account. This reserve limits the uses of the money in that account only for the purposes specified in statute creating the reserve.

When a district undertakes a major building project, the district seeks voter approval to sell bonds, and if approved, places the amount from the bond sale into the building construction fund. The district then uses the money in this fund to pay the contractors for their costs when building the facility. The building bonds are then repaid through an annual property tax levy which is deposited in the debt service fund and paid to the bondholders (usually in twice-yearly payments). If a district has money remaining in the building construction fund after the construction has finished, that money under current law is transferred to the debt service fund to lower the levy amount necessary to repay the building bonds.

H.F. 3470 authorizes Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, to transfer any balance remaining in its building construction fund to the reserved account for operating capital in the general fund.

Summary

Section	Description
1	<p>Fund transfer; West St. Paul-Mendota Heights-Eagan.</p> <p>Authorizes Independent School District No. 197, West St. Paul-Mendota Heights-Eagan, to transfer any balance remaining in its building construction fund to the reserved account for operating capital in the general fund.</p>



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