

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2654

**DATE:** March 15, 2004

**Version:** As introduced

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**Subject:** Fund Transfer; Pillager

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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 district that has an excess in its debt redemption fund is required to return that surplus to its taxpayers through a levy reduction in the following year.

This bill authorizes Independent School District No. 116, Pillager, to transfer up to \$100,000 from its debt redemption fund to the undesignated general fund balance without making a levy reduction.

### Section

- 1 Fund transfer; Pillager.** Authorizes independent school district No. 116, Pillager, to transfer up to \$100,000 from its debt redemption fund to the general fund without making a levy reduction.