

# 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. The funds in the reserved for capital account are reserved and must be used only to purchase equipment or for facilities purposes. The funds in a reserved for bus purchase account must be used only to purchase new school buses, unless the school district has discontinued its bus fleet in which case the funds can be transferred to the district's general fund.

This bill authorizes Independent School District No. 836, Butterfield, to transfer up to \$50,000 from its reserved for operating capital account and \$60,000 from its reserved for bus purchase account to the undesignated general fund balance.

#### Section

- 1 Fund transfer; Butterfield.** Authorizes independent school district No. 836, Butterfield, to transfer up to \$50,000 from its reserved for operating capital account and \$60,000 from its reserved bus purchase account to its undesignated general fund. Allows the transfer to be spread over a three year period.