

**Subject** School District Community Service Fund Transfers

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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 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 any school district, upon approval of the commissioner of education, to transfer any amount from its community service reserve account in the community service fund to the undesignated balance in its general fund. Requires the fund transfer, to the extent possible, to be consistent with the school board's fund balance and transfer policies.

## Summary

Section	Description
1	<b>Community service fund transfers.</b> Authorizes a school district, upon approval from the commissioner of education, to transfer any amount from its community service accounts to the undesignated balance in its general fund. Requires the district to abide by the school board's fund balance policy.



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