

Noninstructional Operations and Business Services

Accounting

I. Purpose

This policy adopts the Uniform Financial Accounting and Reporting Standards for Minnesota school districts provided for in guidelines adopted by the Minnesota Department of Education.

II. General Statement of Policy

The school district will comply with the Uniform Financial Accounting and Reporting Standards for Minnesota school districts.

III. Maintenance of Books and Accounts

The school district will maintain its books and records and do its accounting in compliance with the Uniform Accounting and Reporting Standards for Minnesota school districts (UFARS) provided for in the guidelines adopted by the Minnesota Department of Education and in compliance with applicable state laws relating to reporting of revenues and expenditures.

IV. Expenditures

The director of business services will provide expenditure guidelines for appropriate and inappropriate expenditures to the district administration (see Appendix I). An administrator is required to approve all expenditures of school district funds, including UFARS accounting codes.

V. School Site and Program Carryover Allocations

The school district enables school sites and programs to carry over any unspent funds from its total general fund allocation. If the school site or program overspends its allocation, the deficit will also be carried over and taken from the next year's allocation. The administration is responsible for monitoring the budget allocations. The director of business services will develop guidelines for applying the procedures (Appendix II).

VI. Instructional Materials and Class Activity Fees

The school district may request instructional materials and class activities fees, as permitted by state law, (Appendix III) from district families when preapproved by the director of teaching and learning. The accounting of these fees will be in accordance with district guidelines.

VII. Permanent Fund Transfers

Unless otherwise authorized pursuant to Minn. Stat. § 123B.80, as amended, or any other law, fund transfers will be made in compliance with UFARS and

permanent fund transfers will only be made in compliance with Minn. Stat. §123B.79, as amended, or other state law.

VIII. Reporting

The school board will provide for an annual audit of the books and records of the district to ensure compliance of its records with UFARS. Each fiscal year, the district will also provide for the publication of the financial information as specified in state law.

Legal References:

- Minn. Stat. § 123B.02 (School District Powers)
- Minn. Stat. § 123B.09 (School Board Powers)
- Minn. Stat. § 123B.10 (Publication of Financial Information)
- Minn. Stat. § 123B.14, Subd. 7 (Duties of School Board Clerk)
- Minn. Stat. § 123B.75 (Revenue)
- Minn. Stat. § 123B.76 (Expenditures)
- Minn. Stat. § 123B.77 (Accounting, Budgeting and Reporting Requirements)
- Minn. Stat. § 123B.78 (Cash Flow, Revenues, Borrowing, Deficits)
- Minn. Stat. § 123B.79 (Permanent Fund Transfers)
- Minn. Stat. § 123B.80 (Exceptions for Permanent Fund Transfers)

Cross Reference:

Policy 704 (Annual Audit)

Policy
adopted: 9/27/10
amended: 6/20/11
revised: 9/22/14
reviewed: 1/30/17

INDEPENDENT SCHOOL DISTRICT 273
Edina, Minnesota

Appendix I to Policy 703

EXPENDITURES

A. Appropriate Expenditures

District funds may only be expended in ways that serve a public purpose related to district functions. Examples of appropriate expenditures include, but are not limited to:

1. Classroom or office supplies, furniture, reference materials and equipment;
2. Costs of employees participating in approved workshops, conferences and seminars, including registration fees, transportation, lodging, meals and materials;
3. Costs of remodeling, repairing or maintaining district buildings, grounds and equipment;
4. Costs of professional services such as auditors, attorneys, engineers, interpreters and consultants;
5. Costs of contracted services such as election judges, trash removal and electricians;
6. Reimbursement of employee's expenses incurred while performing duties such as mileage, parking fees and work-related telephone calls;
7. Purchases of services, supplies and equipment to provide student food and transportation services;
8. Costs incurred to hold meetings related to district issues including facility rental, speakers, and materials; and
9. Costs of meals for employees and other invited participants at district-sponsored or school-sponsored workshops or meetings that occur over a meal hour when staff is required to stay during the meal time.

B. Inappropriate Expenditures

District funds may not be expended in ways that do not serve a public purpose related to district functions. Examples of inappropriate expenditures include, but are not limited to:

1. Gifts, flowers, meals or similar items for personal employee events such as birthdays, anniversaries, Secretary's Day, Boss' Day, including contributions to "sunshine" funds, social activities and retirement parties;
2. Alcoholic beverages;
3. Donations or contributions;
4. Entertainment or recreation costs incurred by an employee while attending a conference, seminar, workshop or other staff development activity;
5. Meals and mileage costs incurred related to nondistrict functions such as visiting convalescent coworkers, funerals and retirement parties;
6. Decorations, such as plants and pictures, for an employee's individual work space as opposed to decorations that enhance the work area as a whole;
7. Costs of individuals, who are not district employees, accompanying a district employee to a seminar, workshop, conference or other event related to district business;
8. Personal telephone calls, faxes, mail or email; and
9. Food for meetings unless participants are required to stay at meeting over a meal period.

Appendix II to Policy 703

SCHOOL SITE AND PROGRAM CARRYOVER ALLOCATION PROCEDURES

- A. In the general fund, school sites and programs are able to carry over any unspent funds from their total allocation. If the school site or program over-spends its allocation, the deficit will be carried over and taken from next year's allocation.
- B. The guidelines and parameters for the carryover of excess/deficit allocations are:
 - 1. The carryover applies only to codes for which administrators receive allocations. It includes only the general fund. It does not include salaries and benefits, special education, and operations and maintenance.
 - 2. Administrators will be informed of the excess/deficit carryover after the audit for the prior year has been completed. Similar to the original allocation, the carryover/deficit can only be used for services, supplies and miscellaneous expenditures.
 - 3. Calculation of the carryover will be done on a building or program level in comparison with the total allocation given at budget time. The carryover will not be calculated on a line item or code basis, but rather within an allocation area.
 - 4. If an organization or program accumulates a 15% or more savings in one year or has an accumulated savings that totals more than 25% of its annual allocation, an explanation as to the intended purpose of the accumulated funds will be required. The explanation should be submitted to the district's business office to be presented to the Board Finance Committee, no later than November 1 of the following fiscal year.
 - 5. Capital budgets will not carry over. Application may be made to the district's business office to be presented to the Board Finance Committee for approval to carry over capital funds for special projects.

Appendix III to Policy 703

INSTRUCTIONAL MATERIALS AND CLASS ACTIVITY FEES

- A. The purchase of instructional materials and technology may be requested of a student, as permitted by state law and preapproved by the director of teaching and learning.
- B. The district will provide copies for use, to be returned, when instructional materials are required for course completion and student purchase is not desired. A student may be permitted by the district to purchase district materials, if the student desires.
- C. An employee who recognizes a possible financial need for instructional materials and/or class activity fees for a student served by the district will contact his or her building administrator or school social worker to determine possible next steps in providing assistance.
- D. A student is responsible for the cost of replacing any district materials or property lost or damaged by the student.
- E. If a student elects a classroom project which exceeds the minimum requirements of the class, the district may charge the student who makes that election the amount of the excess expense. A project will always be available that meets the classroom requirements with no charge to a student.
- F. Fees for classroom activities (e.g. field trips) are acceptable student expenditures provided that the class activity is (a) supplementary to the basic course requirement and (b) no student is penalized for choosing not to participate in such activity.
- G. Personal or consumable items (e.g. physical education attire, instrumental rental fees, notebooks, pencils) are considered routine expenses paid by the student. For financial assistance students and families should work with the administrator at the site.
- H. The district will not require or recommend private tutoring, lessons, or the provision of supplies for a grade or portion thereof, class prerequisite, or any other classroom benefit.
- I. Building administrators will review at the conclusion of each school year the student supply list for the following year. This review will ensure the student supply requests are ecologically and financially responsible containing only items that are consumable by the students.
- J. Employees who collect fees on behalf of the district must have the fees preapproved by the district. Personal checks need to be made out to Edina Public Schools. Collected fees school must be submitted to the building office on a daily basis for security purposes.