System of Funds and Accounts

The district shall maintain a system of funds with the county treasurer in accordance with state law and the accounting manual approved by the state superintendent of public instruction. The funds are:

A. General Fund
The fund is financed primarily from local taxes, state support funds, federal grants, and local receipts. These revenues are used specifically for financing the ordinary and legally authorized operations of the district for all grades. The fund includes moneys which have been segregated for the purpose of carrying on specific activities such as the basic education program, the program for the handicapped and so on. The fund is managed in accordance with special regulations, restrictions and limitations and constitutes an independent fiscal and accounting entity.

B. Capital Projects Fund
The fund contains the proceeds from the sale of bonds, state school construction matching moneys, transfers from the district's basic education allotment, the proceeds of special levies earmarked for building purposes, earnings from capital projects fund investments, rental or lease proceeds, and proceeds from the sale of property. Permissible expenditures from the sale of bonds including the interest earnings, thereof, may include the acquisition of land or existing buildings, improvements to buildings and/or grounds, design and construction and/or remodeling of buildings, or initial equipment, provided the proposition approved by the voters authorizing the raising of such moneys includes these items. Proceeds from other sources may be used for major renovation and replacement including but not limited to roofing, heating and ventilating systems, floor covering and electrical systems; renovation of play fields and other district real property; and energy audits and capital improvements and major items of equipment and furniture. Any residue within the fund left over exclusively from an excess levy for a specific purpose must be transferred to the general fund and subsequent tax collections shall be credited to the general fund by the county treasurer. Any residue from the sale of bonds and interest on investments must be transferred to the debt service fund when no longer needed for the purpose for which it was raised.

C. Debt Service Fund
The fund is for the redemption of outstanding bonds and the payment of bond interest. The fund is not a warrant fund. Disbursements are made by the county treasurer by means of treasurer's checks. Provision shall be made annually for the making of a levy sufficient to meet the annual payments of principal and semiannual payments of interest. The proceeds from the sale of real property may be placed in this fund or in the capital projects fund, except for the amount required to be expended for the costs associated with the sale of such property.

D. Associated Student Body Program Fund
The board is responsible for the protection and control of student body financial resources just as it is for other public funds placed in its custody. The financial resources of the fund are for the benefit of students. Student involvement in the decision-making processes related to the use of these funds is an integral part of the associated student body, except that the board may delegate the authority to a staff member to act as the associated student body for any school which contains no grade higher than grade six. ASB funds are public funds and may not be used to support or oppose any political candidate or ballot measure. Moneys raised by students through recognized student body organizations shall be deposited in and disbursed from the fund which is maintained by the county treasurer. The fund is subject to management and accounting procedures which are similar to those

required for all other district moneys. ASB constitutions shall provide for participation by ASB representatives in the decisions to budget for and disburse ASB moneys. Private nonassociated student body fund money raised for scholarships, student exchanges and charitable purposes shall be held in trust by the district.

E. Transportation Vehicle Fund:
The transportation vehicle fund includes the proceeds from the sale of transportation vehicles; lease, rental, or occasional use of surplus buses; depreciation reimbursement for district- owned buses; proceeds of transportation vehicle fund levies; optional transfers from the general fund; and investment funds coming from the transportation vehicle fund. The transportation vehicle fund may be used to purchase and/or rebuild buses on a contract or cash basis. Money may be transferred from the transportation vehicle fund to the debt service fund exclusively for the payment of debt and interest incurred by the transportation vehicle fund. Such a transfer does not constitute a transfer of moneys from the transportation vehicle fund with the meaning of RCW 28A.160.130.

The district shall maintain a system of bank accounts as follows:
A. A district depository and/or transmittal bank account,
B. An associated student body imprest bank account for each school having an associated student body organization approved by the board, and
C. Petty cash accounts in such numbers as are necessary to meet the petty cash needs of the schools and divisions of the district. The board may authorize the establishment of such ac- counts. Each petty cash account shall be approved by the board. A custodian shall be appointed for these accounts who shall be independent of invoice processing, check signing, general accounting and cash receipts functions. If this separation of functions is not feasible, another employee who is independent of those functions shall be responsible for reviewing the management of each account.

Legal References: RCW 28A.320.330 School funds enumerated — Deposits in—Use
RCW 28A.325.010 Fees for optional noncredit extra curricular events— Disposition
RCW 28A.325.020 Associated student bodies — Powers and responsibilities affecting
RCW 28A.325.030 Associated student body program fund— Created — Source of funds- Expenditures — Budgeting — Care of other moneys received by students for private purposes
RCW 28A.335.060 Sales of transportation vehicles
RCW 28A.505.140 Rules and regulations for budgetary procedures — Review when superintendent [SPI] determines budget irregularity — Revised budget, state board's financial plan until adoption
RCW 39.44 Bonds — Form, Terms of sale, Payment
RCW 42.17.130 Forbids use of public office or agency facilities in campaigns
RCW 43.09.200 Division of municipal corporations — Uniform system of accounting
RCW 43.09.210 Division of municipal corporations — Separate accounts for each fund or activity
WAC 392-123 Finance — School District Budgeting
WAC 392-138 Finance — ASB Moneys
WAC 392-138-055 Imprest bank checking account
WAC 392-138-060 Petty cash funds
State Auditor Bulletin #301, III(E), Petty Cash

Adoption Date: **May 22, 2006**
Review/Revision: **Review 09/14/2009 no change**