

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 General Fund (GF) 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 GF includes money which has 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 GF is managed in accordance with special regulations, restrictions and limitations and constitutes an independent fiscal and accounting entity.

B. Capital Projects Fund

The Capital Projects Fund (CPF) contains the proceeds from the sale of voted bonds (unlimited tax general obligation bonds) and non-voted bonds (limited general obligation bonds), state of Washington financing assistance (state matching money), transfers from the district's basic education allotment, the proceeds of special levies earmarked for building purposes, earnings from capital projects fund investments, growth management impact fees, state environmental protection act mitigation payments, rental or lease proceeds and proceeds from the sale of property. Permissible expenditures from the proceeds derived from the sale of voted bonds, including the investment earnings thereon, is governed expressly by state law and, 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 that, the bond election resolution and ballot proposition approved by the voters authorizing the bonds includes these items. The Washington Constitution prohibits the use of voted bond proceeds to replace equipment. Proceeds from other sources are also governed by state law and 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; energy audits, capital improvements and major items of equipment, furniture and implementing technology systems, facilities and projects, including acquiring hardware, licensing software and on-line applications that are an integral part of the district's technology systems. Any money from the sale of voted bonds and investment earnings thereon remaining after the authorized capital improvements have been completed may be used to: (a) acquire, construct, install, equip and make other capital improvements to the district's facilities; or (b) retire and/or defease a portion of voted bonds, all as the school board may determine by resolution after holding a public hearing pursuant to RCW 28A.530.020. Investment earnings derived from other sources in the CPF should be retained in the CPF and used for statutorily authorized purposes. The district may transfer investment earnings in the CPF, which have not been derived from voted bond proceeds, to a different fund; provided that, such investment earnings may only be expended for instructional supplies, equipment or capital outlay purposes. The superintendent should consult the board and appropriate district staff prior to altering the use of voted bond proceeds and transferring investment earnings out of the CPF.

C. Debt Service Fund

The Debt Service Fund (DSF) is for the payment of principal of and interest on outstanding voted and non-voted bonds. 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

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 accounts. 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:	Wash.Const., Article VII, § 2	Voted bond proceeds and capital levy proceeds — Uses
	RCW 28A.320.320	Investment of funds of district
	RCW 28A.320.330	School funds enumerated — Deposits — Uses
	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 – Fund-raising activities – Nonassociated student body program fund moneys
	RCW 28A.335.060	Surplus school property – Rental, lease or use of – disposition of moneys received from
	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 28A.530.010	Purposes for use of voted bond proceeds
	RCW 28A.530.020	Bond issuance — Election — Resolution to specify purposes
	RCW 28A.530.080	Additional authority to contract indebtedness
	RCW 42.17.130	Use of public office or agency facilities in campaigns — Prohibition — Exceptions
	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
	RCW 84.52.053	Levies by school districts authorized — When — Procedure
	RCW 84.52.056	Excess levies for capital purposes authorized
	WAC 392-123	Finance — School District Budgeting
	WAC 392-138	Finance — ASB Moneys
	State Auditor Bulletin #301, III(E), Petty Cash	

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