

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, furniture, and implementing technology systems, facilities and projects, including acquiring hardware, licensing software, and online applications that are an integral part of the district's technology systems. 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 semi-annual 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 non-associated student body fund moneys 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 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:	RCW	28A.320.330 28A.325.010 28A.325.020 28A.325.030 28A.335.060 28A.505.140	School funds enumerated--Deposits in uses Fees for optional non-credit extra curricular events—Disposition Associated student bodies--Powers and responsibilities affecting Associated student body program fund -- Fund-raising activities – Non-associated student body program fund moneys Surplus school property – Rental, lease or use of – disposition of moneys received from 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 42.17.130 43.09.200 43.09.210	Bonds--Form, Terms of sale, Payment, etc. Forbids use of public office or agency facilities in campaigns Division of municipal corporations--Uniform system of accounting Division of municipal corporations--Separate accounts for each fund or activity
	WAC	392-123 392-138 392-138-055 392-138-60 392-142-260	Finance--School District Budgeting Finance – ASB Moneys Imprest bank checking account Petty cash funds Allowable Uses of Transportation Vehicle Fund

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System of Funds and Accounts

The following guidelines shall be used in managing bank accounts:

- A. The amount of the imprest fund of a school shall be based on the highest amount of funds expended in one month. The amount shall be approved by the board of directors.
- B. The board of directors shall appoint a staff member to serve as custodian of the fund.
- C. Use of imprest funds and/or petty cash funds shall be restricted to those obligations which cannot be handled by voucher.
- D. Imprest funds and/or petty cash funds may not be used to circumvent any laws related to purchasing.
- E. All receipts which are submitted for reimbursement shall be dated and signed by the submitter.
- F. Imprest accounts shall be replenished at least monthly by warrant payable to the custodian. The replenishment must be made by voucher, with appropriate receipts attached.
- G. Whenever an individual's appointment as custodian is terminated the imprest fund must be replenished and turned over to the fiscal officer.
- H. Local audits of each imprest account by someone other than the custodian of the account shall be made on a surprise and unscheduled basis at least twice per year.

The Associated Student Body Fund Procedures

The following guidelines shall be in effect in the operation of the respective associated student bodies:

- A. The principal shall appoint the primary advisor to the ASB. He/she shall be responsible for designating advisors to the various student subgroup organizations affiliated with the ASB. For schools with no grade higher than grade six, the board may delegate the authority to a staff member to act as the associated student body.
- B. The principal shall be responsible for supervising the accounting functions to be performed at the building level. The building level accounting procedures shall be consistent with the accounting functions performed at the district office level.
- C. At the beginning of each year, the ASB shall submit a report that describes in summary those activities that constitute ASB programs.
- D. The ASB shall participate in the determination of the purposes for which ASB financial resources shall be budgeted and disbursed. Such purposes shall be reflected in the ASB budget that is submitted to the board of directors for its approval.

- E. The ASB shall approve all expenditures before money shall be disbursed from the fund. In the event that an associated student body student group conducts fund raising or solicits donations for scholarships, student exchanges and charitable purposes, the associated student body group shall approve all expenditures of money so raised.
- F. ASB funds may be used for purposes consistent with school district policy and approved by the governing body of the organization subject to the provisions incorporated into the student body constitution and bylaws. Private non-associated student body fund money held by the district is limited to scholarships, charitable contributions, and student exchange programs, and is limited to funds denoted for that specific purpose that have been so identified at the time of their collection, and that have been held in trust exclusively for donated purpose. Such funds must be contributed and raised on a voluntary basis.
- G. Fund-raising activities not associated with an ASB-sponsored organization, including raising private non-associated student body funds, are not permitted by law to be done under the direction or supervision of staff nor with the use of district equipment, supplies, facilities or other district resources unless the district is fully reimbursed for all such costs. The principal shall have the authority to arrange for non-ASB funds to be held in trust in separate accounts in the fund so long as students are informed in advance that a charge shall be made to cover the full cost of the service.
- H. For schools with students in grade seven or above, evidence of student approval must appear on all vouchers supporting a disbursement of ASB money. This includes purchase orders and imprest fund check requests.
- I. ASB moneys must be on deposit with the county treasurer with the exception of an imprest banking account and petty cash. Such funds shall be administered in the manner required by the regulations of the state board of education.

Management of District Bank Accounts

Moneys received for the district shall be handled as follows:

- A. Receipts shall be given for all moneys;
- B. All moneys received by the district, except those received by the county treasurer on behalf of the district, shall be deposited in the district's transmittal account. Provisions shall be made for individual buildings to have access to night depository. In no cases shall money remain in a building for more than 24 hours;
- C. Receipts from special events shall be deposited intact;
- D. All moneys in the transmittal account, shall be transmitted to the county treasurer no later than the first of each month. Such transmittals shall be accompanied by a report indicating the sums to be credited to each of the district's funds;
- E. An accurate record shall be kept of all expenditures from each imprest account. Reimbursement to the maximum permitted shall be made to each imprest account by voucher each month; and

- F. Local audits of each imprest account shall be made on a surprise and unscheduled basis at least twice per year. In addition, whenever there is a change of administrator, the imprest accounts, which he/she administered shall be audited by the district.