

GUIDELINES FOR FINANCIAL REPORTING
UNIFIED SCHOOL DISTRICTS

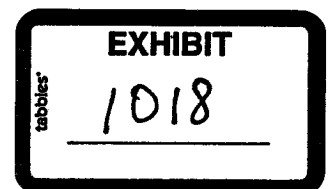
GENERAL FUND

1. (a) "**GENERAL FUND**" means the fund of a district from which operating expenses are paid and in which is deposited the proceeds from the tax levied under K.S.A. 72-6431, and amendments thereto, all amounts of general state aid under this act, payments under K.S.A. 72-7105a, and amendments thereto, payments of federal funds made available under the provisions of Title I of Public Law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program, and such other moneys as are provided by law. (K.S.A. Supp. 72-6409)
(b) "**OPERATING EXPENSES**" means the total expenditures and lawful transfers from the general fund of a district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. Supp. 72-6430, and amendments thereto. (K.S.A. Supp. 72-6409)
(c) "**GENERAL FUND BUDGET**" means the amount budgeted for operating expenses in the general fund of a district.
(d) "**BUDGET PER PUPIL**" means the general fund budget of a district divided by the enrollment of the district. (K.S.A. Supp. 72-6409).
(e) "**PROGRAM WEIGHTED FUND**" means and includes the following funds of a district: Vocational education fund, pre-school aged at-risk education fund, regular at-risk education fund, bilingual education fund, and virtual education fund. (K.S.A. Supp. 72-6409)
(f) "**CATEGORICAL FUND**" means and includes the following funds of a district: Special education fund, food service fund, driver training fund, adult education fund, adult supplementary education fund, professional development fund, parent education program fund, summer program fund, and extraordinary school program fund. (K.S.A. Supp. 72-6409)
2. "**DISTRICT**" means a school district organized under the laws of this state which is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-1106.
3. (a) (1) "**PUPIL**" means any person who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 maintained by the district or who is regularly enrolled in a district and attending kindergarten or any of the grades one through 12 in another district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a district and attending special education services provided for preschool-aged exceptional children by the district.

COUNTING FTE –

Except as otherwise provided in paragraph (3) of this subsection, a pupil in attendance **full time** shall be counted as one pupil.

- A pupil in attendance part time shall be counted as that proportion of one pupil (to the nearest 1/10) that the pupil's attendance bears to full-time attendance.
- A pupil attending **kindergarten** shall be counted as 1/2 pupil.
- A pupil enrolled in and attending an **institution of postsecondary education** which is authorized under the laws of this state to award academic degrees shall be counted as one pupil if the pupil's postsecondary education enrollment and attendance together with the pupil's attendance in either of the grades 10, 11, or 12 is at least 5/6 time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest 1/10) that the total time of the pupil's postsecondary education attendance and attendance in grades 10, 11 or 12, as applicable, bears to full-time attendance.
- A pupil enrolled in and attending an **area vocational school, area vocational-technical school or approved vocational education program** shall be counted as one pupil if the pupil's vocational education enrollment and attendance together with the pupil's attendance in any of grades nine through 12 is at least 5/6 time, otherwise the pupil shall be counted as that proportion of one pupil (to the nearest 1/10) that the total time of the pupil's vocational education attendance and attendance in any of grades nine through 12 bears to full-time attendance.



GENERAL FUND continued...

- A pupil enrolled in a district and attending **special education and related services**, except special education and related services for preschool-aged exceptional children, provided for by the district shall be counted as one pupil. Pupils with IEP's who enroll in virtual schools may have their enrollment FTE prorated between the school they are physically attending and the virtual school.
 - A pupil enrolled in a district and attending **special education and related services for preschool-aged exceptional children** provided for by the district shall be counted as ½ pupil.
 - A **pre-school aged at-risk pupil** enrolled in a district and receiving services under an approved at-risk pupil assistance plan maintained by the district shall be counted as ½ pupil.
 - A pupil in the **custody of the secretary of social and rehabilitation services** and enrolled in unified school district No. 259, Sedgwick County, Kansas, but housed, maintained, and receiving educational services at the Judge James V. Riddel Boys Ranch, shall be counted as two pupils.
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- A pupil residing at the **Flint Hills job corps** center shall not be counted. A pupil confined in and receiving educational services provided for by a district at a **juvenile detention facility** shall not be counted.
 - A pupil enrolled in a district but housed, maintained, and receiving educational services at a **state institution** shall not be counted.
 - **A pupil enrolled in a virtual school** in a district but who is **not a resident of the state of Kansas** shall not be counted. (K.S.A. 72-6407)
- (b) "**PRESCHOOL-AGED EXCEPTIONAL CHILDREN**" means exceptional children, except gifted children, who have attained the age of three years but are under the age eligibility for attendance at kindergarten. (K.S.A. 72-6407)
- (c) "**AT-RISK PUPILS**" means pupils who are eligible for free meals under the national school lunch act and who are enrolled in a district which maintains an approved at-risk pupil assistance plan. (K.S.A. 72-6407)
- (d) "**PRESCHOOL-AGED AT-RISK PUPIL**" means an at-risk pupil who has attained the age of four years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of pupils for participation in head start programs. (K.S.A. 72-6407)
- (e) "**ENROLLMENT**" means: (1) (A) Subject to the provisions of paragraph (1) (B), for districts scheduling the school days or school hours of the school term on a trimestral or quarterly basis, the number of pupils regularly enrolled in the district on September 20 plus the number of pupils regularly enrolled in the district on February 20 less the number of pupils regularly enrolled on February 20 who were counted in the enrollment of the district on September 20; and for districts not specified in this paragraph (1), the number of pupils regularly enrolled in the district on September 20; (B) a pupil who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the district for at least one semester or two quarters or the equivalent thereof;
- Declining Enrollment – 3 year rule** (2) if enrollment in a district in any school year has decreased from enrollment in the preceding school year, enrollment of the district in the current school year means whichever is the greater of:
- (A) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, plus enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, or
 - (B) the sum of enrollment in the current school year of preschool-aged at-risk pupils, if any such pupils are enrolled, and the average (mean) of the sum of
 - (i) enrollment of the district in the current school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils are enrolled, and
 - (ii) enrollment in the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled, and
 - (iii) enrollment in the school year next preceding the preceding school year minus enrollment in such school year of preschool-aged at-risk pupils, if any such pupils were enrolled; or the number of pupils as determined under K.S.A. 72-6447 or K.S.A. Supp. 72-6448, and amendments thereto. (K.S.A. 72-6407)

GENERAL FUND continued....

- (f) **"ADJUSTED ENROLLMENT"** means enrollment adjusted by adding at-risk pupil weighting, program weighting, low enrollment weighting, if any, density at-risk weighting, if any, nonproficient pupil weighting, if any, high enrollment weighting, if any, declining enrollment weighting, if any, school facilities weighting, if any, ancillary school facilities weighting, if any, cost of living weighting, if any, virtual enrollment weighting, if any, special education and related services weighting, and transportation weighting to enrollment. (K.S.A. 2005 Supp. 72-6407)
- (g) **"AT-RISK PUPIL WEIGHTING"** means an addend component assigned to enrollment of districts on the basis of enrollment of at-risk pupils. (K.S.A. 72-6407)
- The at-risk pupil weighting of each district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by .278 for school year 2006-2007, by .378 for school year 2007-2008, and by .456 for school year 2008-2009 and each school year thereafter. The product is the at-risk pupil weighting of the district. (K.S.A. Supp 72-6414)
- (h) **"PROGRAM WEIGHTING"** means an addend component assigned to enrollment of districts on the basis of pupil attendance in educational programs which differ in cost from regular educational programs. (K.S.A. 72-6407)
- (i) **"LOW ENROLLMENT WEIGHTING"** means an addend component assigned to enrollment of districts pursuant to K.S.A. 72-6412, and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such districts in comparison with costs attributable to maintenance of educational programs by districts having to which high enrollment weighting is assigned pursuant to K.S.A. Supp. 72-6442b, and amendments thereto. (K.S.A. 72-6407)
- (K.S.A. Supp. 72-6412) The low enrollment weighting shall be determined by the state board as provided by this section:
- (b) For districts with enrollment of 1,637 or more in school year 2006-2007, and 1,622 or more in school year 2007-2008 and each school year thereafter, the low enrollment weighting shall be 0.
- (c) For districts with enrollment of less than 100, the low enrollment weighting shall be equal to the low enrollment weighting of a district with enrollment of 100.
- (d) For districts with enrollment of less than 1,637 in school year 2006-2007, and less than 1,622 in school year 2007-2008 and each school year thereafter and more than 99, the low enrollment weighting shall be determined by the state board as follows:
- (1) Determine the low enrollment weighting for such districts for school year 2004-2005;
 - (2) Multiply the low enrollment of each district determined in paragraph (1) by 3,863;
 - (3) add 3,863 to the product obtained under paragraph (2);
 - (4) divide the product obtained under paragraph (3) by 4,107; and
 - (5) subtract 1 from the product obtained under paragraph (4). The difference shall be the low enrollment weighting of the district.
- (j) **"SCHOOL FACILITIES WEIGHTING"** means an addend component assigned to enrollment of districts on the basis of costs attributable to commencing operation of new school facilities. (K.S.A. 72-6407) School facilities weighting may be assigned to enrollment of a district only if the district has adopted a local option budget in an amount equal to at least 25% of the amount of the state financial aid determined for the district in the current school year. School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year. (K.S.A. Supp. 72-6415b)
- (k) **"TRANSPORTATION WEIGHTING"** means an addend component assigned to enrollment of districts on the basis of costs attributable to the provision or furnishing of transportation. (K.S.A. 72-6407)
- (l) **"COST OF LIVING WEIGHTING"** means an addend component assigned to enrollment of districts to which the provisions of K.S.A. Supp. 72-6449, and amendments thereto, apply on the basis of costs attributable to the cost of living in the district. (K.S.A. 72-6407)

GENERAL FUND continued....

- (m) **“ANCILLARY SCHOOL FACILITIES WEIGHTING”** means an addend component assigned to enrollment of districts to which the provisions of K.S.A. Supp. 72-6441, and amendments thereto, apply on the basis of costs attributable to commencing operation of new school facilities. Ancillary school facilities weighting may be assigned to enrollment of a district only if the district has levied a tax under authority of K.S.A. Supp. 72-6441, and amendments thereto, and remitted the proceeds from such tax to the state treasurer. Ancillary school facilities weighting is in addition to assignment of school facilities weighting to enrollment of any district eligible for such weighting. (K.S.A. 72-6407)
 - (n) **“JUVENILE DETENTION FACILITY”** means any public or private facility which is used for the lawful custody of accused or adjudicated juvenile offenders and which shall not be a jail; and **“PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY”** means a facility which provides psychiatric services to individuals under the age of 21 and which conforms with the regulations of the Centers for Medicare/Medicaid Services, is licensed by the Kansas Department of Health and Environment and is certified by the Kansas Department of Social and Rehabilitation Services pursuant to this subsection . (KSA 72-8187)
 - (o) **“SPECIAL EDUCATION AND RELATED SERVICES WEIGHTING”** means an addend component assigned to enrollment of districts on the basis of costs attributable to provision of special education and related services for pupils determined to be exceptional children. (K.S.A. 72-6407)
 - (p) **“VIRTUAL SCHOOL”** means any kindergarten or grades one through 12 course offered for credit that uses distance-learning technologies which predominantly use internet-based methods to deliver instruction for which the course content is available on an “anytime, anyplace” basis, but the instruction occurs asynchronously with the teacher and pupil in separate locations, not necessarily located within a local education agency. (K.S.A. 72-6407) A pupil enrolled in a virtual school in a district but who is not a resident of the state of Kansas shall not be counted. (K.S.A. 72-6407)
 - (q) **“DECLINING ENROLLMENT WEIGHTING”** means an addend component assigned to enrollment of districts to which the provisions of K.S.A. 72-6451, and amendments thereto, apply on the basis of reduced revenues attributable to the declining enrollment of the district.
 - (r) **“HIGH ENROLLMENT WEIGHTING”** means an addend component assigned to enrollment of districts pursuant to K.S.A. 72-6442b, and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such districts as a correlate to low enrollment weighting assigned to enrollment of districts pursuant to K.S.A. 72-6412. The high enrollment weighting of each district with 1,637 or over enrollment in school year 2006-2007, 1,622 or over in school year 2007-2008 and each year thereafter shall be determined by the state board. (K.S.A. 72-6442b) (K.S.A. 72-6407)
 - (s) **“DENSITY AT-RISK PUPIL WEIGHTING”** means an addend component assigned to enrollment of districts to which the provisions of section 2/20, and amendments thereto, apply. (K.S.A. 72-6407)
 - (t) **“NONPROFICIENT PUPIL”** means a pupil who is not eligible for free meals under the national school lunch act and who has scored less than proficient on the mathematics or reading state assessment from the previous school year and who is enrolled in a district which maintains an approved proficiency assistance plan. (K.S.A. 72-6407)
 - (u) **“NONPROFICIENT PUPIL WEIGHTING”** means an addend component assigned to enrollment of districts on the basis of enrollment of nonproficient pupils pursuant to section 3, and amendments thereto. (K.S.A. 72-6407)
4. **“SEPTEMBER 20”** has its usual meaning, except that in any year in which September 20 is not a day on which a school is maintained, it shall mean the first day after September 20 on which school is maintained. (K.S.A. 72-6408)
 5. **“FEBRUARY 20”** has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it shall mean the first day after February 20 on which school is maintained. (K.S.A. 72-6408)

GENERAL FUND continued....

6. (a) **"STATE FINANCIAL AID"** means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district. (K.S.A. 72-6410)
- (b) **"BASE STATE AID PER PUPIL"** means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is \$4,316 in school year 2006-2007, \$4,374 in school year 2007-2008 and \$4,400 in school year 2008-2009, and \$4,012 in school year 2009-10. thereafter. The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K.S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid.
- If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency. (K.S.A. 72-6410)
- (c) **"LOCAL EFFORT"** means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto, and an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, and amendments thereto, prior to the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A.72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto, and an amount equal to 70% of the federal impact aid of the district. (K.S.A. 72-6410)
- (d) **"FEDERAL IMPACT AID"** means an amount equal to the federally qualified percentage of the amount of moneys a district receives in the current school year under the provisions of Title I of Public Law 874 and congressional appropriations therefore, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under Title I of Public Law 874 shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder. (K.S.A. 72-6410)
7. (a) **ANY LAWFUL TRANSFER OF MONEYS FROM THE GENERAL FUND** of a district to any other fund shall be an operating expense in the year the transfer is made. The board of any district may transfer moneys from the general fund to any categorical fund of the district in any school year.
- (b) The board of any district may transfer moneys from the general fund to the contingency reserve fund of the district in any school year, subject to the limitations imposed upon the amount authorized to be maintained in the contingency reserve fund under K.S.A. 72-6426, and amendments thereto.

GENERAL FUND continued....

8. (a) The board of each district shall **LEVY AN AD VALOREM TAX** upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:
 - (1) Financing that portion of the district's general fund budget which is not financed from any other source provided by law;
 - (2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and
 - (3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district.
 - (b) The tax required under subsection (a) shall be levied at the rate of 20 mills in the school year 2009-10 and 2010-11.
 - (c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the general fund of the district.
 - (d) On June 6 of each year the amount, if any, by which a district's local effort exceeds the amount of the district's state financial aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund. (K.S.A. 72-6431)
9. All federal aid received may be deposited in the general fund or in a special purpose fund. If federal aid is received for a special purpose such as vocational education or adult education, such revenue must be deposited in the respective funds.
 10. Special education state aid received by a school district must be deposited into the general fund. That amount must then be transferred to the special education fund of the district. (K.S.A. 72-979)
 11. **GENERAL STATE AID (Distribution of final payment)**

If any amount of general state aid that is due to be paid during the month of June of a school year pursuant to the other provisions of this section is not paid on or before June 30 of such school year, then such payment shall be paid on or after the ensuing July 1, as soon as moneys are available therefore. Any payment of general state aid that is due to be paid during the month of June of a school year and that is paid to school districts on or after the ensuing July 1 shall be recorded and accounted for by school districts as a receipt for the school year ending on the preceding June 30. (K.S.A. 72-6417)
 12. Listed below is the table which shows potential revenue that shall be deposited in the general fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.
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GENERAL FUND continued....

POTENTIAL SOURCE OF REVENUE

**LEGAL FUND THE REVENUE
MAY BE DEPOSITED IN**

LOCAL

- Ad Valorem Property Tax.....General Fund
- Tuition.....General Fund
- Student Activities (amounts which are reimbursing expenditures made in General Fund).....General Fund
- *Reimbursements (see note 3).....General Fund
- User charges (if treated as reimbursements).....General Fund

COUNTY

- In Lieu of Tax Payments from Industrial Revenue Bonds.....General Fund

STATE

- General State Aid.....General Fund
- Mineral Production Tax.....General Fund
- Special Education Aid.....General Fund
- State Aid for Loss of Machinery and Equipment.....General Fund

FEDERAL (see note 1 & 2)

- American Recovery & Reinvestment Act.....General Fund
- PL-382 (see note 1).....General Fund

NOTE 1: 70% of P.L. 382 (except for disaster payments, the excess revenue received above a normal student for special education students, excess revenue for Indian students and low-rent housing).

NOTE 2: Federal funds for a specific purpose, such as special education, must be deposited in the specific fund. It is recommended that other federal funds be deposited in a separate federal fund account.

NOTE 3: Includes Juvenile Detention/Flint Hills Job Corp payments and State Aid received as a result of adjustments to prior year P.L. 382 deduction.

SUPPLEMENTAL GENERAL FUND - LOCAL OPTION BUDGET (LOB)

1. As a general principal, the law provides that, in addition to the State Financial Aid (SFA/General Fund) funding, a school district board may approve LOB spending in any amount up to 31.0 percent of its SFA (General Fund and SFA are the same). However, certain limitations and constraints on the LOB authority, discussed below, are applicable.”

“**STATE PRESCRIBED PERCENTAGE**” means 30% for school year 2006-2007, and 31% for school year 2007-2008 and each school year thereafter. Any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. Such resolution shall specify how the moneys will be expended and shall be published in the manner provided by this section. The election shall be called and held in the manner provided by this section. (K.S.A 72-6433)

2. **All School Districts.** Beginning in 1997-98, the board of education of a “**BELOW AVERAGE SPENDING**” **SCHOOL DISTRICT** on its own motion may adopt an LOB. In this respect, the State Board of Education (SBOE) makes the following determinations:
 - The average budget per full-time equivalent (FTE) pupil (unweighted) for the preceding school year is computed for each of four school district enrollment groupings -- under 100; 100-299.9; 300-1,799.9; and 1,800 and over. This computation uses the combined school district general fund budget and LOB. (See “Enrollment Groupings -- Determination of Averages” below.)
 - The FTE budget per pupil (unweighted) of each school district for the preceding school year is determined (combined general fund budget and LOB).
 - The district’s FTE budget per pupil is below the average budget per pupil for the district’s enrollment grouping, the budget per pupil difference is multiplied by the district’s FTE pupil enrollment in the preceding year. (If the district’s budget per pupil exceeds the average for the enrollment grouping, this procedure does not apply.)
 - The product (of multiplying the district’s budget per pupil difference by FTE enrollment) is divided by the amount of the district’s general fund budget in the preceding year. The result is the LOB percentage increment that is available to the district in the next school year. This LOB authority is determined in accord with the following schedule: 20.0 percent of the calculated amount in 1997-98; 40.0 percent in 1998-99; 60.0 percent in 1999-2000; 80.0 percent in 2000-01; and 100.0 percent in 2001-02, and thereafter.

If a district was authorized to adopt and did adopt an LOB in 1997-98 and qualifies for LOB authority as a “below average spending” district, calculated as described above, the LOB percentage of the district is the sum of the LOB percentage the district was authorized to budget in that year and the percentage for which the district qualifies under the formula. If the district was not authorized to adopt an LOB in 1997-98, the district qualifies for the LOB authority calculated under the formula. In subsequent years, the district’s LOB authority is calculated in the same manner as applies to a district that had an LOB in 1997-98 and that also qualified for LOB authority as a “below average spending” district.

Any LOB percentage of a school district that qualifies for additional LOB authority under the above formula is recognized as perpetual authority. This includes LOB authority acquired by adoption of an LOB resolution and gained pursuant to this formula.

SUPPLEMENTAL GENERAL FUND - LOB continued...

3. **Enrollment Groupings -- Determination of Averages.** For the grouping of school districts with enrollments under 100, the average FTE amount is the average amount for school districts having enrollments of 75-125; for the grouping of school districts with enrollments of 100-299.9, the average FTE amount is determined under a **linear transition schedule** beginning with the average FTE amount for districts having enrollments of 75-125 and ending with the average FTE amount of districts having enrollments of 200-399.9; for the grouping of school districts with enrollments of 300-1,799.9, the average FTE amount is determined under a linear transition schedule beginning with the average FTE amount for districts having enrollments of 200-399.9 and ending with the FTE amount of districts having enrollments of 1,800 and over; and for the grouping with enrollments of 1,800 and over, the average FTE amount is the average amount for all such districts.
4. **School Districts That Had LOBs in 1996-97.** The board of education of any "average" or "above average spending" school district that had an LOB in 1996-97 may adopt on its own motion an LOB equal to the following percentage of the district's general fund budget based upon the LOB percentage the district was authorized to adopt in 1996-97: 100.0 percent in 1997-98, 95.0 percent in 1998-99, 90.0 percent in 1999-2000, 85.0 percent in 2000-01, and 80.0 in 2001-02, and thereafter.

In the event that in any year the LOB authority of the district is greater if computed under the formula applicable to "below average spending" districts than under this provision, the additional LOB authority under that formula applies in determining the total LOB authority of the district.

5. **Alternative Procedure.** As an alternative to the procedures described above, a school district board of education may adopt a resolution for a specified LOB percentage that is subject to a 5.0 percent protest petition election. In the resolution, the board will include the number of years the board desires, or do a continuous and permanent LOB resolution. The resolution must be published once in a newspaper having general circulation in the district. The protest petition must be filed with the county election officer of the home county of the school district within 30 days after the publication. If no resolution is timely filed, the board may adopt the LOB. If a petition is filed and the resolution is abandoned, such a resolution may not again be adopted for nine months following the publication of the resolution. Subsequent resolutions to increase this authority (always subject to the aggregate 30.0 percent cap) also are authorized. The duration of subsequent resolutions may not exceed that of the original resolution.
6. **Districts Whose LOB Authority First Exceeds the Average for the Enrollment Grouping After the 1997-98 School Year.** If, after the 1997-98 school year, a school district has gained LOB authority under the "below average spending" formula and has obtained increased LOB authority by adoption of a resolution such that the district no longer qualifies for LOB authority under the formula applicable to "below average spending" districts, the LOB authority is:
 - if the district is operating under an LOB with a fixed LOB percentage increase and a specified number of years to which it applies, the sum of the LOB percentage authority of the district for the preceding year and the additional LOB authority in the district's resolution; or
 - if the district is operating under a resolution authorizing continuous and permanent LOB authority, the LOB percentage adopted by the board.

If the district's resolution for additional LOB authority is not perpetual and after some specified number of years this authority is lost, the district's LOB authority is the percentage authorization for the current school year computed under the formula as if the additional LOB authority resulting from the expired LOB resolution had not been in effect in the preceding school year.

7. **"Additional" LOB Authority -- Subject to Protest Petition Election.** In addition to the LOB authority available under the foregoing provisions, beginning in 1997-98, a school district is authorized to adopt a resolution to increase its LOB authority under one of two alternative procedures:
 - A school district board of education may seek authority for continuous and permanent LOB authority, in which case, if the proposition is successful, the board in any school year may increase its LOB to any level it chooses, subject to the 30.0 percent aggregate cap.
 - The board may seek temporary authority to increase the LOB by a specified percentage for a specified number of years.

SUPPLEMENTAL GENERAL FUND - LOB continued...

When the protest petition election provision applies, there is no specific time limitation imposed upon the interval between elections when the LOB proposals are lost. There is, however, a nine-month limitation when a resolution is abandoned. Under the protest petition election procedure, the board is required to publish the resolution once in a newspaper having general circulation in the district. Unless the resolution is abandoned, an election on the question is required if a petition signed by 5.0 percent of the qualified electors of the district is filed with the county election officer within 30 days after the publication.

If the district chooses a resolution that specifies an LOB percentage increase and a number of years to which the resolution applies, the district is authorized to adopt subsequent resolutions to increase its LOB authority, subject to the aggregate cap. The duration of a subsequent resolution may not exceed that contained in the initial resolution. (The protest petition and election provisions described apply in these instances.)

8. Notwithstanding any other provisions in law, a school district may adopt the state-wide average for the proceeding school year.

9. **Revenue for LOB.** School districts are authorized to levy property taxes to fund their portion of the LOB. State aid is provided for the purpose of equalizing the ability of a district to utilize this provision.

Supplemental general state aid is based on an equalization feature designed to treat each district as if its assessed valuation per pupil (AVPP) were equal to that of the district at the 81.2 percentile of AVPP. For each school district that uses all or a portion of its LOB, the State Board divides the district's AVPP (see footnote*) in the preceding year by the 81.2 percentile AVPP and subtracts the ratio so determined from 1.0. If the ratio resulting from this calculation equals or exceeds 1.0, the district is entitled to no LOB supplemental general state aid. (This is because the district's AVPP equals or exceeds the AVPP at the 81.2 percentile.) If the ratio resulting from the calculation is less than 1.0, the district's adopted LOB is multiplied by such ratio to determine if the district's LOB supplemental general state aid entitlement.

A proportional proration provision applies in the event the state appropriations for this aid are not sufficient to fully fund school district entitlements.

School districts also receive a share of the motor vehicle tax, motor vehicle 16/20M truck property tax, rental/leased vehicle sales tax, recreational vehicle tax, and industrial revenue bond payments in lieu of taxes as resources to the supplemental general fund.

10. **Authorized LOB Expenditures.** With a few exceptions, school districts may spend LOB revenues for any purpose for which expenditures from the general fund are authorized or these revenues may be transferred to the general fund of the district or to any program-weighted fund or categorical fund of the district. One exception is that school district boards are prohibited from making LOB expenditures for a lease-purchase agreement involving the acquisition of land or buildings under K.S.A. 72-8225, as amended. (K.S.A. 72-6433) In addition, transfers cannot be made to capital outlay fund or the contingency reserve fund.

* Where Kansas Neighborhood Revitalization Act tax increment financing rebates are involved, the county clerk submits to the Commissioner of Education an adjustment (reduction) in the district's assessed valuation, determined by dividing the total of tax increment rebates paid by the district during the preceding 12 months by the total of the ad valorem levy rates of the district in the previous year.

SUPPLEMENTAL GENERAL FUND - LOB continued...

11. **LOB Balances.** Any unexpended and unencumbered cash balance remaining in the supplemental general fund at the conclusion of any school year is treated as follows:
 - ⇒ If the district received supplemental general state aid in the school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the unexpended budget remaining by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district or remitted to the state treasury. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.
 - ⇒ Each year the state board of education shall determine the statewide average percentage of local option budgets legally adopted by school districts for the preceding school year. (2007 SB 68)
12. **Supplemental General State Aid Payments.** Supplemental general state aid payments are made at times determined by the State Board. The State Board certifies to the Director of Accounts and Reports the amount due to each district and the Director prepares the warrants. The aid is deposited in the district’s supplemental general fund. The practice is that this aid is paid in three installments during the school year. Payments are made on October 1 (40%), February 1 (40%), and June 20 (prorated amount). If any amount of supplemental general state aid that is due to be paid during the month of June of a school year pursuant to the other provisions of this section is not paid on or before June 30 of such school year, then such payment shall be paid on or after the ensuing July 1, as soon as moneys are available therefore. Any payment of supplemental general state aid that is due to be paid during the month of June of a school year and that is paid to school districts on or after the ensuring July 1 shall be recorded and accounted for by school districts as a receipt for the school year ending on the preceding June 30. (K.S.A. 72-6434)
13. Listed below is the table which shows potential revenue that may/shall be deposited in the Supplemental General Fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories:

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Ad Valorem Property Tax	Supplemental General Fund
<u>COUNTY</u>	
▪ Motor Vehicle Property Tax.....	Supplemental General Fund
▪ Motor Vehicle 16/20M Truck Property Tax.....	Supplemental General Fund
▪ Recreational Vehicle Tax	Supplemental General Fund
▪ In Lieu of Tax Payments from Industrial Revenue Bonds	Supplemental General Fund
<u>STATE</u>	
▪ Supplemental State Aid	Supplemental General Fund
▪ State Aid for Loss of Machinery and Equipment.....	Supplemental General Fund
<u>FEDERAL</u>	
▪ American Recovery & Reinvestment Act.....	Supplemental General Fund

VOCATIONAL EDUCATION FUND

1. There is hereby established in every district a fund which shall be called the vocational education fund. All moneys received by a district for any course or program authorized and approved under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. All moneys received by the district from tuition, fees or charges or from any other source for vocational education courses or programs, except for courses and programs conducted in an area vocational school, shall be credited to the vocational education fund. The expenses of the district directly attributable to vocational education shall be paid from the vocational education fund. (K.S.A. 72-6421)
2. All transfers from the general fund to vocational education fund are considered to be a general fund expenditure in the year the transfer is made. This transfer should be recorded as revenue in the vocational education fund. (K.S.A. 72-6428)
3. Any balance remaining in the vocational education fund at the end of the budget year shall be carried forward into the vocational education fund for succeeding years. (K.S.A. 72-6421)
4. All expenditures attributable to approved vocational education programs shall be paid from the vocational education fund. The programs which receive approval for the extra vocational weighting and all Carl Perkins grants would be paid from the vocational education fund. These expenditures include but are not limited to salaries for principals, supervisors, teachers, secretarial/clerical, textbooks, teacher supplies, salaries for operation of plant, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, equipment, and tuition. (K.S.A. 72-6421)
5. Listed below is the table which shows potential revenue that may/shall be deposited in the vocational education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
<u>LOCAL</u>	
▪ Transfer from General Fund	Vocational Education Fund
▪ Transfer from Supplemental General Fund	Vocational Education Fund
▪ Transfer from Contingency Reserve Fund.....	Vocational Education Fund
▪ Tuition.....	Vocational Education Fund
▪ Interest in Idle Funds (Permissive)	Vocational Education Fund
▪ Student Activities.....	Vocational Education Fund
▪ Miscellaneous Revenue (Permissive)	Vocational Education Fund
▪ *Reimbursements	Vocational Education Fund
<u>FEDERAL</u>	
▪ Federal Vocational Aid.....	Vocational Education Fund

SPECIAL EDUCATION FUND

1. "(a) There is hereby established in every district a fund which shall be called the special education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Notwithstanding any other provision of law, all moneys received by the district from whatever source for special education shall be credited to the special education fund established by this section, except that: (1) amounts of payments received by a district under K.S.A. 72-979, and amendments thereto, and amounts of grants, if any, received by a district under K.S.A. 72-983, and amendments thereto, shall be deposited in the general fund of the district and transferred to the special education fund, and (2) moneys received by a district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be credited to the special fund established under the agreements. (K.S.A. 72-6420)
2. All transfers from the general fund to the special education fund are considered to be a general fund expenditure in the year the transfer is made. This transfer should be recorded as revenue in the special education fund. (K.S.A. 72-6428)
3. All expenditures attributable to approved special education programs shall be paid from the special education fund. These expenditures include but are not limited to salaries for supervisors, teachers, secretarial/clerical, textbooks, teaching supplies, transportation salaries, transportation, salaries for operation of plant, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, equipment, and tuition. (K.S.A. 72-6420)
4. Listed below is the table which shows potential revenue that may/shall be deposited in the special education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Interest on Idle Funds (Permissive)	Special Education Fund
▪ Transfer from General Fund	Special Education Fund
▪ Transfer from Supplemental General Fund	Special Education Fund
▪ Transfer from Contingency Reserve Fund.....	Special Education Fund
▪ Miscellaneous Revenue (Permissive)	Special Education Fund
▪ * Reimbursements	Special Education Fund
<u>STATE</u>	
▪ State Payment for Special Education	Special Education Fund
▪ Deaf/Blind Grants.....	Special Education Fund
<u>FEDERAL</u>	
▪ American Recovery & Reinvestment Fund	Special Education Fund
▪ Federal Aid for Special Education.....	Special Education Fund
▪ P.L. 382 Revenue for Special Education (excess revenue only).....	Special Education Fund
▪ Medicaid	Special Education Fund

ADULT EDUCATION FUND

1. "Adult basic education program" means a program of one or more courses in general education subjects taught at the grade school or high school level under the supervision of a board for eligible persons which is included in the state plan and for which federal funds are received pursuant to federal law." (K.S.A. 72-4517)

"Eligible persons" means persons who (1) have attained the age of 16, (2) have not graduated from high school and have not been recognized as having achieved an equivalent level of education, and (3) are not now regularly enrolled in school." (K.S.A. 72-4517)

"Each board is authorized to establish, conduct, maintain and administer an adult basic education program and such program shall meet standards and criteria set by the state board. Cooperative agreements among boards may be entered into for providing in conformity with the purpose of this act, such programs, facilities, equipment and services as may be necessary or desirable. No such cooperative agreement shall be effective until the same has been approved by the state board which approval shall be granted if such agreement complies with the standards and criteria established by the state board." (K.S.A. 72-4520)

"The state board may enter into agreements with any board for the establishment and operation of adult basic education programs and any board desiring to secure state and federal funds for the cost of conducting the same shall certify and file an application with the state board for the approval of such adult basic education program. The application shall be on a form prescribed and furnished by the state board and shall contain such information as the state board shall require and shall be filed on or before July 1 of each year. Approval of the application and the program shall be prerequisite to payment of state and federal funds to any board." (K.S.A. 72-4521)

- a) The board of any school district may make an annual tax levy for a period not to exceed 5 years upon the assessed taxable tangible property within the school district to maintain and operate an adult basic education program at a level approved by the state board and for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. **The tax levy limit was repealed in K.S.A. 79-5040.** Proceeds from the tax levy, except for an amount to pay a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district, shall be deposited in the adult education fund of the school district, which fund is hereby established. Notwithstanding any other provision of law, all moneys received by the school district from whatever source for adult basic education shall be credited to the adult education fund established by this section. The expenses of a school district directly attributable to adult basic education shall be paid from the adult education fund.
- b) No tax levy shall be made under this section until a resolution authorizing the levy is passed by the board and published once a week for three consecutive weeks in a newspaper having general circulation in the school district. The resolution shall specify the millage rate of the tax levy and the period of time for which the tax levy shall be made under authority thereof. After adoption of the resolution, the levy may be made unless, within 90 days following the last publication of the resolution, a petition in opposition to the levy, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district. In the event a petition is filed, the tax shall not be levied without the question of levying the same having been submitted to and approved by a majority of the qualified electors of the school district voting at an election which shall be Called for that purpose or at the next general election." (K.S.A. 72-4523)
- c) "The board of any school district which has made a tax levy authorized under the provisions of this section may initiate procedures to renew its authority to make such a tax levy at any time after the final levy under a current authorization is certified to the county clerk." (K.S.A. 72-4523)

ADULT EDUCATION FUND continued...

2. All transfers from the general fund to the adult education fund are considered to be a general fund expenditure in the year the transfer is made. This transfer should be recorded as revenue in the adult education fund. (K.S.A. 72-6428)
3. All expenditures attributable to approved adult education programs shall be paid from the adult education fund. (K.S.A. 72-4523) These expenditures include but are not limited to salaries for principals, supervisors, teachers, secretarial/clerical, textbooks, teacher supplies, salaries for operation of plant, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, equipment, and tuition.
4. Listed below is the table which shows potential revenue that may/shall be deposited in the adult education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Ad Valorem Property Tax.....	Adult Education Fund
▪ Transfer from General Fund	Adult Education Fund
▪ Transfer from Supplemental General Fund	Adult Education Fund
▪ Transfer from Contingency Reserve Fund.....	Adult Education Fund
▪ Adult Education Fees.....	Adult Education Fund
▪ Interest on Idle Funds (Permissive)	Adult Education Fund
▪ Sale and Rental of Textbooks	Adult Education Fund
▪ Miscellaneous Revenue (Permissive)	Adult Education Fund
▪ * Reimbursements	Adult Education Fund
<u>COUNTY</u>	
▪ Motor Vehicle Property Tax (if levy is authorized).....	Adult Education Fund
▪ Motor Vehicle 16/20M Truck Property Tax (if levy is authorized).....	Adult Education Fund
▪ Recreational Vehicle Tax (if levy is authorized)	Adult Education Fund
▪ In Lieu of Tax Payments from Industrial Revenue Bonds (if levy is authorized).....	Adult Education Fund
<u>STATE</u>	
▪ Adult Education State Aid	Adult Education Fund
<u>FEDERAL</u>	
▪ Adult Education Federal Aid	Adult Education Fund

PARENT EDUCATION PROGRAM FUND

1. "A program developed and operated by a board for the purpose of providing expectant parents and parents of infants or toddlers or both with information, advice, assistance, resource materials, guidance and learning experiences regarding such measures as parenting skills and the various styles of parenting, the processes and principles of growth and development of children, home learning activities designed for infants and toddlers, techniques emphasizing a positive approach to discipline, effective methods of communicating and interacting with children so as to foster the development of self-esteem, strategies for structuring behavioral limits and increasing mutual positive regard, and other elements of effective parenting that are conducive to the structuring of a home environment in which children are encouraged to be successful and productive learners." (K.S.A. 72-3603)
2. "INFANT AND TODDLER" means a child who has not attained the age of three years old.
3. "The board of every school district may: (1) Develop and operate a parent education program; (2) enter into cooperative or interlocal agreements with one or more other boards for the development and operation of a parent education program; (3) contract with private, non-profit corporations or associations or with any public or private agency or institution whether located within or outside the state for the provision of services which are appropriate to a parent education program; and (4) apply for a grant of state moneys to supplement amounts expended by the school district for development and operation of a parent education program. Approval by the state board of the program and the application is prerequisite to the award of a grant." (K.S.A. 72-3604)
4. "There is hereby established in every school district which has developed and is operating a parent education program for which grants are awarded under this act a fund which shall be called the parent education program fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Notwithstanding any other provision of law, all moneys received by a school district from whatever source for a parent education program operated under this act shall be credited to the fund established by this section. Amounts deposited in the parent education program fund shall be used exclusively for the payment of expenses directly attributable to the program." (K.S.A. 72-3607)
5. The board of any district may transfer moneys from its general fund to its parent education program fund. Expenditures for parent education programs shall not be made from the general fund of a district. (K.S.A. 72-6428)
6. Listed below is the table which shows potential revenue that may/shall be deposited in the Parent Education Program Fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories:

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
<u>LOCAL</u>	
▪ Payment from Other School Districts	Parent Education Program Fund
▪ Interest on Idle Funds (Permissive)	Parent Education Program Fund
▪ Transfer from General Fund	Parent Education Program Fund
▪ Transfer from Supplemental General Fund	Parent Education Program Fund
▪ Transfer from Contingency Reserve Fund.....	Parent Education Program Fund
▪ Miscellaneous Revenue (Permissive)	Parent Education Program Fund
▪ * Reimbursements	Parent Education Program Fund
<u>STATE</u>	
▪ Parent Education Aid	Parent Education Program Fund
<u>FEDERAL</u>	
▪ Parent Education Aid	Parent Education Program Fund

COOPERATIVE SPECIAL EDUCATION FUND (sponsoring districts only)

1. "(a) Each board, in order to comply with the requirements of this act shall have the authority to:
 - (1) Provide appropriate special education and related services for exceptional children within its schools.
 - (2) Provide for appropriate special education and related services in the home, in a hospital or in other facilities.
 - (3) Contract with another school district for special education and related services. Any such contract may provide for the payment of tuition and other costs by the contracting school district in which the child is enrolled.
 - (4) Enter into cooperative agreements with one or more other school districts for special education and related services.
 - (5) Contract with any private non profit corporation or any public or private institution, within or outside the state, which has proper special education or related services for exceptional children. Whenever an exceptional child is educated by a private non profit corporation or a public or private institution as provided under this paragraph, such child shall be considered a pupil of the school district contracting for such education to the same extent as other pupils of such school district for the purpose of determining entitlements and participation in all state, federal and other financial assistance or payments to such school district.
 - (6) Furnish transportation for exceptional children, whether such children are residents or non-residents of such school district, for the provision of special education or related services. In lieu of paying for transportation, the board of the school district in which an exceptional child resides may pay all or part of the cost of room and board for such exceptional child at the place where the special education or related services are provided.
 - (b) Special education and related services which are provided for exceptional children shall meet standards and criteria set by the state board and shall be subject to approval by the state board.
 - (c) Any contract entered into by a board under the provisions of this section shall be subject to change or termination by the legislature." (K.S.A. 72-967)
2. "The boards of any two or more school districts within or outside the state may make and enter into agreements providing for cooperative operation and administration in providing special education and related services for exceptional children on a shared-cost basis, subject to the following:
 - (1) An agreement shall be effective only after approval by the state board, which approval shall be granted if the special education services provided for in such agreement meet standards and criteria set by the state board.
 - (2) (A) The duration of an agreement shall be perpetual but the agreement may be partially or completely terminated as hereinafter provided.
 - (B) Partial termination of an agreement made and entered into by the boards of three or more school districts may be accomplished only upon petition for withdrawal from the agreement made by a contracting school district to the other contracting school districts and approval by the state board of written consent to the petition by such other school districts or upon order of the state board after appeal to it by a school district from denial of consent to a petition for withdrawal and hearing thereon conducted by the state board. The state board shall consider all the testimony and evidence brought forth at the hearing and issue an order approving or disapproving withdrawal by the school district from the agreement.
 - (C) Complete termination of an agreement made and entered into by the boards of two school districts may be accomplished upon approval by the state board of a joint petition to the state board for termination of the agreement by both of the contracting school districts after adoption of a resolution to that effect by each of the contracting school districts or upon petition for withdrawal from the agreement made by a contracting school district to the other contracting school district and approval by the state board of written consent to the petition by such other school district or upon the order of the state board after appeal to it by a school district from denial of consent to a petition for withdrawal and hearing thereon conducted by the state board.

COOPERATIVE SPECIAL EDUCATION FUND continued...

The state board shall consider all the testimony and evidence brought forth at the hearing and issue an order approving or disapproving withdrawal by the school district from the agreement.

- (D) Complete termination of an agreement made and entered into by the boards of three or more school districts may be accomplished only upon approval by the state board of a joint petition made to the state board for termination of the agreement by not less than $\frac{2}{3}$ of the contracting school districts after adoption of a resolution to that effect by each of the contracting school districts seeking termination of the agreement. The state board shall consider the petition and approve or disapprove termination of the agreement.
 - (E) The state board shall take such action in approving or disapproving the complete or partial termination of an agreement as the state board deems to be in the best interests of the involved school districts and of the state as a whole in the provision of special education services for exceptional children. Whenever the state board has disapproved the complete or partial termination of an agreement, no further action with respect to such agreement shall be considered or taken by the state board for a period of not less than three years.
- (3) An agreement shall designate the sponsoring school district and shall provide for a separate fund thereof, to which each contracting district shall pay the moneys due from it under the agreement. Any school district which is a party to an agreement may be designated the sponsoring district.
 - (4) An agreement shall specify the method or methods to be employed for disposing of property upon partial or complete termination.
 - (5) Within the limitations provided by law, an agreement may be changed or modified by mutual consent of the contracting school districts.
 - (6) An agreement shall be subject to change or termination by the legislature.
 - (b) The provisions of this section apply to every agreement entered into under authority of this sections after the effective date of this act and to every agreement entered into under this section prior to the effective date of this act, and extant on the effective date of this act, regardless of any provisions in such agreement to the contrary. (K.S.A. 72-968)
- 2. Unified school districts who contribute to the special education cooperative shall not transfer moneys from the general fund directly to the cooperative special education fund. They must be transferred from the general fund to the special education fund, and then to the special education cooperative fund.
 - 3. All expenditures attributable to approved cooperative special education programs shall be paid from the cooperative special education fund. These expenditures include but are not limited to salaries for principals, supervisors, teachers, secretarial/clerical, textbooks, teacher supplies, salaries for transportation and operation of plant, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, and equipment.

COOPERATIVE SPECIAL EDUCATION FUND continued...

4. Listed below is the table which shows potential revenue that may/shall be deposited in the cooperative special education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
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LOCAL

- American Recovery & Reinvestment Act..... Cooperative Special Education Fund
- Home District Contribution (Sponsoring district)
 (transfer from Special Education Fund)..... Cooperative Special Education Fund
- Other District Contribution..... Cooperative Special Education Fund
- Interest on Idle Funds (Permissive) Cooperative Special Education Fund
- Miscellaneous Revenue Cooperative Special Education Fund
- * Reimbursements Cooperative Special Education Fund

STATE

- State payment for Special Education Cooperative Special Education Fund
- Deaf/Blind Grants..... Cooperative Special Education Fund

FEDERAL

- American Recovery & Reinvestment Fund..... Special Education Fund
- Federal Aid for Special Education..... Cooperative Special Education Fund
- Medicaid Cooperative Special Education Fund
- Other Cooperative Special Education Fund

ADULT SUPPLEMENTARY EDUCATION FUND

1. "Adult supplementary education program means a program of one or more courses in any subject, other than courses in the adult basic education program, or courses approved for state funding purposes, which is conducted under the supervision of a board for persons who have attained the age of 16." [K.S.A. Supp. 72-4517(f)]

"(a) Any board may establish and maintain an adult supplementary education program for the instruction of persons desirous of attending such a program. (b) The cost of instruction for adult supplementary education programs shall be borne by the school district or community college and the board shall obtain and furnish the necessary teaching personnel and supplies. Tuition or fees shall be charged by the board to offset expense of operation of adult supplementary education programs in part or in total." (K.S.A. Supp. 72-4525)

2. All expenditures attributable to adult supplementary education programs shall be paid from the adult supplementary education fund. (K.S.A. Supp. 72-4525) These expenditures include but are not limited to salaries for principals, supervisors, teachers, secretarial/clerical, textbooks, teacher supplies, salaries for operation of plan utilities/heat, replacement of equipment, social security, worker’s compensation, unemployment insurance, equipment, and tuition.
3. Listed below is the table which shows potential revenue that may/shall be deposited in the adult supplementary education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
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LOCAL

- Transfer from General FundAdult Supplementary Education Fund
- Transfer from Supplemental General FundAdult Supplementary Education Fund
- Transfer from Contingency Reserve Fund.....Adult Supplementary Education Fund
- Adult Supplementary Education FeeAdult Supplementary Education Fund
- Interest on Idle Funds (Permissive)Adult Supplementary Education Fund
- Sale and Rental of TextbooksAdult Supplementary Education Fund
- Miscellaneous Revenue (Permissive)Adult Supplementary Education Fund
- * ReimbursementsAdult Supplementary Education Fund

DRIVER TRAINING FUND

1. "There is hereby established in every district a fund which shall be called the 'driver training fund,' which fund shall consist of all moneys deposited therein or transferred thereto according to law." (K.S.A. 72-6423)
2. All moneys received by the district from distributions made from the state safety fund and the motorcycle safety fund and from tuition, fees or charges for driver training courses shall be credited to the driver training fund. The expenses of a district directly attributable to driver training shall be paid from the driver training fund. (K.S.A. 72-6423)
3. All transfers from the general fund to the driver training fund are considered to be a general fund expenditure in the year the transfer is made. This transfer should be recorded as revenue in the driver training fund. (K.S.A. 72-6428)
4. All expenditures directly attributable to approved driver training programs shall be paid from the driver training fund. (K.S.A. 72-6428) These expenditures include but are not limited to salaries for principals, teachers, secretarial/clerical, textbooks, teacher supplies, leased/purchased vehicles, replacement of equipment, insurance, social security, worker's compensation, unemployment insurance, and equipment.
5. Listed below is the table which shows potential revenue that may/shall be deposited in the driver training fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

**LEGAL FUND THE REVENUE
MAY BE DEPOSITED IN**

POTENTIAL SOURCE OF REVENUE

LOCAL

- Interest on Idle Funds (Permissive)..... Driver Training Fund
- Transfer from General Fund..... Driver Training Fund
- Transfer from Supplemental General Fund..... Driver Training Fund
- Transfer from Contingency Reserve Fund..... Driver Training Fund
- Driver Education Student Fees..... Driver Training Fund
- Miscellaneous Revenue (Permissive)..... Driver Training Fund
- *Reimbursements..... Driver Training Fund

STATE

- State Driver Training Aid..... Driver Training Fund
 - State Motorcycle Safety Aid..... Driver Training Fund
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FOOD SERVICE FUND

1. "There is hereby established in every district a fund which shall be called the 'food service fund,' which fund shall consist of all moneys deposited therein or transferred thereto according to law." (K.S.A. 72-6424)
2. All moneys received by the district for food service and from charges for food service shall be credited to the food service fund. The expenses of a district attributable to food service shall be paid from the food service fund. (K.S.A. 72-6424)
3. All transfers from the general fund to the food service fund are considered to be a general fund expenditure in the year the transfer is made. This transfer should be recorded as revenue in the food service fund. (K.S.A. 72-6428)
4. All expenditures attributable to approved food service shall be paid from the food service fund. (K.S.A. 72-6424) These expenditures include but are not limited to salaries for supervisors, secretarial/clerical, operation of plant, contractual services, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, salaries for food service, food, and transportation.
5. Listed below is the table which shows potential revenue that may/shall be deposited in the food service fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Interest on Idle Funds (Permissive)	Food Service Fund
▪ Transfer from General Fund	Food Service Fund
▪ Transfer from Supplemental General Fund	Food Service Fund
▪ Transfer from Contingency Reserve Fund	Food Service Fund
▪ School Food Service Receipts from Students	Food Service Fund
▪ School Food Service Receipts from Adults	Food Service Fund
▪ Miscellaneous Revenue (Permissive)	Food Service Fund
▪ *Reimbursements	Food Service Fund
<u>STATE</u>	
▪ Food Service State Aid	Food Service Fund
<u>FEDERAL</u>	
▪ American Recovery & Reinvestment Act	Food Service Fund
▪ Food Service Federal Aid	Food Service Fund

CAPITAL OUTLAY FUND

1. "The board of education of any school district may make an annual tax levy at a mill rate not to exceed the statutorily prescribed mill rate for a period of not to exceed five (5) years, upon the assessed taxable tangible property in such school district for the purposes specified in this act. No levy shall be made under this act until a resolution is adopted by such board of education in the following form:

Unified School District No.____, _____County, Kansas

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed ___ years in an amount not to exceed _____ mills upon the taxable tangible property in the school district for the purpose of acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board, architectural expenses incidental thereto, the acquisition of building sites, the undertaking and maintenance of asbestos control projects, the acquisition of school buses and the acquisition of other equipment and for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy authorized by this resolution may be made, unless a petition in opposition to the same, signed by not less than 10% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 40 days after the last publication of this resolution. In the event a petition is filed the county election officer shall submit the question of whether the tax levy shall be authorized to the electors in the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the above school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. ____, _____County, Kansas, on the ____ day of _____, year.

Clerk of the board of education

All of the blanks in the above resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the words "mills" shall be filled with a specific number and no word shall be inserted in either of such blanks. Such resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district." (K.S.A. 72-8801)

2. There is hereby established in every school district of the state a fund which shall be called the "capital outlay fund." The capital outlay fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. The proceeds of any tax levied under article 88 of chapter 72 of Kansas Statutes Annotated, except for an amount to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for financing of redevelopment projects upon property located within the school district, shall be deposited in the capital outlay fund of the school district making such levy. (K.S.A. 72-8803)

CAPITAL OUTLAY FUND continued...

3. All expenditures attributable to capital outlay shall be paid from the capital outlay fund except any district may make capital outlay expenditures from its general fund for acquisition of equipment (excluding buses) and repair of school buildings.
4. The following expenditures may be paid from the capital outlay fund: acquisition, construction, reconstruction, repair, remodeling, additions to furnishing and equipping of buildings necessary for school district purposes, including housing and boarding pupils enrolled in an area vocational school operated under the board of education, architectural expenses incidental thereto, the acquisition of building sites, the undertaking and maintenance of asbestos control projects, the acquisition of school buses (the money must be transferred to transportation fund and all buses purchased from the transportation fund), and acquisition of other equipment. (K.S.A. 72-8804)
5. The maximum mill rate limit has been set at eight (8) mills and is determined by the local board of education based upon the successful passage of a resolution and election, if protested. There is still a five-year limit. (K.S.A. 79-5040)
6. Listed below is the table which shows potential revenue that may/shall be deposited in the capital outlay fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Ad Valorem Property Tax	Capital Outlay Fund
▪ Interest on Idle Funds (Permissive).....	Capital Outlay Fund
▪ Transfer from General Fund (no limit).....	Capital Outlay Fund
▪ Miscellaneous Revenue (Permissive).....	Capital Outlay Fund
▪ * Reimbursements	Capital Outlay Fund
<u>COUNTY</u>	
▪ Motor Vehicle Property Tax (if a levy is made).....	Capital Outlay Fund
▪ Motor Vehicle 16/20M Truck Property Tax (if a levy is made).....	Capital Outlay Fund
▪ Recreational Vehicle Tax (if a levy is made)	Capital Outlay Fund
▪ In lieu of Tax Payments from Industrial Revenue Bonds (if a levy is made).....	Capital Outlay Fund
<u>STATE</u>	
▪ Capital Outlay State Aid.....	Capital Outlay Fund
<u>FEDERAL</u>	
▪ Impact Aid - Construction	Capital Outlay Fund

PROFESSIONAL DEVELOPMENT FUND

1. "Professional development" means any planned learning opportunities provided to certificated personnel employed by a school district or other authorized educational agency for purposes of improving the performance of such personnel in already held or assigned positions." (K.S.A. 72-9602)
2. Each board shall establish and maintain a professional development program for certificated personnel of the school district. Professional development programs shall meet standards and criteria set by the state board. Each board, in complying with the requirements of number 2, may:
 - (1) Develop policies and plans for the provision of professional development programs based on identified needs at the individual, building and district levels;
 - (2) Provide for professional development programs at any time during the school year;
 - (3) Contact with area professional development centers and authorized educational agencies in providing for professional development programs; and
 - (4) Enter into cooperative or interlocal agreements with one or more other school districts in providing for professional development programs. (K.S.A. 72-9604)
3. In each school year, each board which has established and is maintaining an professional development program in compliance with the requirements of this act and which desires to secure state aid for part of the cost of maintaining the program shall certify and file an application with the state board for approval of the program. (K.S.A. 72-9605)
4. "There is hereby established in every school district a fund which shall be called the Professional Development Fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by the school district from whatever source for professional development programs established under this act shall be credited to the fund established by this section. The expenses of a school district directly attributable to professional development programs shall be paid from the Professional Development Fund." (K.S.A. 72-9609)
5. The board of any district may transfer moneys from its General Fund to its Professional Development Fund. (K.S.A. 72-6428)
6. Listed below is the table which shows potential revenue that may/shall be deposited in the Professional Development Fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Interest on Idle Funds (Permissive)	Professional Development Fund
▪ Transfer from the General Fund	Professional Development Fund
▪ Transfer from the Supplemental General Fund	Professional Development Fund
▪ Transfer from Contingency Reserve Fund.....	Professional Development Fund
▪ Miscellaneous Revenue (Permissive)	Professional Development Fund
▪ *Reimbursements	Professional Development Fund
<u>STATE</u>	
▪ State Professional Development Aid	Professional Development Fund
<u>FEDERAL</u>	
▪ Federal Professional Development Aid	Professional Development Fund

AT-RISK EDUCATION FUND (K-12)

- (a) The at-risk pupil weighting of each district shall be determined by the state board by multiplying the number of at-risk pupils included in enrollment of the district by .278 for school year 2006-2007, by .378 for school year 2007-2008, and by .456 for school year 2008-2009 and each year thereafter. The product is the at-risk pupil weighting of the district. (K.S.A. 72-6414)
- (b) Except as provided in subsection (d), of the amount a district received from the at-risk pupil weighting, an amount produced by a pupil weighting of .01 shall be used by the district for achieving mastery of basic reading skills by completion of the third grade in accordance with standards and outcomes of mastery identified by the state board under K.S.A. 72-7534, and amendments thereto. (K.S.A. 72-6414)
- (c) A district shall include such information in its at-risk pupil assistance plan as the state board may require regarding the district's remediation strategies and the results thereof in achieving the third grade reading standards and outcomes of mastery identified by the state board. The reporting requirements shall include information documenting remediation strategies and improvement made by pupils who performed below the expected standard on the second grade diagnostic reading test prescribed by the school district. (K.S.A. Supp. 72-6414)
- (d) A district whose pupils substantially achieve the state board standards and outcomes of mastery of reading skills upon completion of third grade may be released, upon request, by the state board from the requirements of subsection (b). (K.S.A. 72-6414)
- (e) (1) A district may expend amounts received from the at-risk pupil weighting to pay for the cost of providing one-half of a full-day kindergarten to any pupil enrolled in the district and attending full-day kindergarten whether or not such pupil is an at-risk pupil. (K.S.A. 72-6414)
 - (2) Nothing in this subsection shall be construed as requiring school districts to provide full-day kindergarten nor as requiring any pupil to attend full-day kindergarten.
 - (3) As used in this subsection (e)
 - (A) "District" means any school district which offers both full-day and half-day kindergarten.
 - (B) "Cost" means that portion of the cost of providing full-day kindergarten which is not paid by the state.
- (f) A school district may expend amounts received from the at-risk weighting to pay the cost of providing preschool-aged at-risk, bilingual and vocational education programs and services.
- (g) There is hereby established in every school district a fund which shall be called the at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district attributable to providing at-risk assistance or programs, including assistance or programs to nonproficient pupils, shall be paid from the at-risk education fund. (K.S.A. 72-6414a)
- (h) Any balance remaining the in preschool-aged at-risk education fund at the end of the budget year shall be carried forward for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 72-2925 through 72-2937, and amendments thereto. Interest earned on the investment of moneys in any such fund shall be credited to that fund. (K.S.A. 72-6414a)
- (i) Each year the board of education of each school district shall prepare and submit a report on the at-risk education program or assistance provided by the district. Such report shall include information specifying the number of at-risk pupils and nonproficient pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance, and any other information required by the state board. (K.S.A. 72-6414a)
- (j) In order to achieve uniform reports of the number of at-risk pupils and nonproficient pupils provided service or assistance by school districts in at-risk programs, districts shall report the number of at-risk pupils and nonproficient pupils served or assisted in the manner required by the state board. (K.S.A. 72-6414a)

AT-RISK EDUCATION FUND (K-12) continued

Listed below is the table which shows potential revenue that may/shall be deposited in the At-Risk Education Fund (K-12). When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
<u>LOCAL</u>	
▪ Interest on Idle Funds (Permissive)	At-Risk Education Fund
▪ Transfer from the General Fund	At-Risk Education Fund
▪ Transfer from the Supplemental General Fund	At-Risk Education Fund
▪ Transfer from Contingency Reserve Fund	At-Risk Education Fund
▪ Miscellaneous Revenue (Permissive)	At-Risk Education Fund
▪ * Reimbursements	At-Risk Education Fund
<u>FEDERAL</u>	
▪ Federal At-Risk Aid	At-Risk Education Fund

AT-RISK EDUCATION FUND (Preschool-Aged)

- (a) There is hereby established in every school district a fund which shall be called the preschool-aged at-risk education fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district attributable to providing preschool-aged at-risk assistance or programs shall be paid from the preschool-aged at-risk education fund. (K.S.A. 72-6414b)
- (b) A school district may expend amounts received from the preschool-aged at-risk weighting to pay the cost of providing at-risk, bilingual and vocational education programs and services.
- (c) Any balance remaining the in preschool-aged at-risk education fund at the end of the budget year shall be carried forward for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 72-2925 through 72-2937, and amendments thereto. Interest earned on the investment of moneys in any such fund shall be credited to that fund.
- (d) Each year the board of education of each school district shall prepare and submit a report on the preschool-aged at-risk education program or assistance provided by the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance, and any other information required by the state board.

Listed below is the table which shows potential revenue that may/shall be deposited in the Preschool-Aged At-Risk Education Fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
LOCAL	
▪ Interest on Idle Funds (Permissive).....	Preschool-Aged At-Risk Education Fund
▪ Transfer from the General Fund.....	Preschool-Aged At-Risk Education Fund
▪ Transfer from the Supplemental General Fund.....	Preschool-Aged At-Risk Education Fund
▪ Transfer from Contingency Reserve Fund.....	Preschool-Aged At-Risk Education Fund
▪ Miscellaneous Revenue (Permissive)	Preschool-Aged At-Risk Education Fund
▪ * Reimbursements.....	Preschool-Aged At-Risk Education Fund
FEDERAL	
▪ Federal Preschool-Aged At-Risk Aid.....	Preschool-Aged At-Risk Education Fund

Preschool Programs, Interlocal Agreements, Contracts to Provide Programs, Fees:

The board of education of any school district may:

- (1) offer and teach courses and conduct preschool programs for children under the age of eligibility to attend kindergarten;
- (2) enter into cooperative or interlocal agreements with one or more other boards for the establishment, operation and maintenance of such preschool programs;
- (3) contract with private, nonprofit corporations or associations or with any public or private agency or institution for the establishment, operation and maintenance of such preschool programs;
- (4) prescribe and collect fees for providing such preschool programs (fees shall be prescribed and collected only to recover costs incurred).

Revenues from fees collected shall be deposited in the general fund of the school district and shall be considered reimbursements to the district for the purpose of the school district finance and quality performance act and may be expended whether the same have been budgeted or not. Amounts so expended shall not be considered operating expenses. (K.S.A. 72-67, 115)

BILINGUAL EDUCATION FUND

1. "There is hereby established in every school district a fund which shall be called the 'bilingual education fund,' which fund shall consist of all moneys deposited therein or transferred thereto according to law. Any balance remaining in the bilingual education fund at the end of the budget year shall be carried forward into the bilingual education fund for the succeeding budget years. (K.S.A. 72-9509)

Each year the board of education of each school district shall prepare and submit to the state board a report on the bilingual education program and assistance provided by the district. Such report shall include information specifying the number of pupils who were served or provided assistance, the type of service provided, the research upon which the district relied in determining that a need for service or assistance existed, the results of providing such service or assistance and any other information required by the state board.

2. Bilingual education state aid may be expended in the following funds: bilingual, at-risk (K-12) and pre-school aged at-risk.
3. The expenses of a district attributable to bilingual education shall be paid from the bilingual education fund. These expenditures include but are not limited to salaries for principals, supervisors, teachers, secretarial/clerical, textbooks, teacher supplies, salaries for operation of plant, utilities/heat, replacement of equipment, social security, worker's compensation, unemployment insurance, equipment, and tuition. (K.S.A. 72-9509)
4. School districts may also join together as a cooperative or through an interlocal agreement to provide bilingual education services on a shared-cost basis. (K.S.A. 72-9503)
5. Listed below is the table which shows potential revenue that may/shall be deposited in the bilingual education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Interest on Idle Funds (Permissive)	Bilingual Education Fund
▪ Transfer from the General Fund	Bilingual Education Fund
▪ Transfer from the Supplemental General Fund	Bilingual Education Fund
▪ Transfer from Contingency Reserve Fund	Bilingual Education Fund
▪ Miscellaneous Revenue (Permissive)	Bilingual Education Fund
▪ * Reimbursements	Bilingual Education Fund
<u>FEDERAL</u>	
▪ Federal Bilingual Education Aid	Bilingual Education Fund

SUMMER SCHOOL FUND

1. The board of education of any school district may: (1) Establish, operate and maintain a summer program for pupils; (2) enter into cooperative or interlocal agreements with one or more other boards of education for the establishment, operation and maintenance of a summer program for pupils; and (3) prescribe and collect fees for providing a summer program for pupils or provide such program without charge. (K.S.A. 72-8237)
2. Fees for providing a summer program for pupils shall be prescribed and collected only to recover the costs incurred as a result of and directly attributable to the establishment, operation and maintenance of the program. (K.S.A. 72-8237)
3. No school district may collect fees for providing a summer program for pupils required to attend such a program in accordance with the provisions of law, rules and regulations of the State Department of Education, policy of the board of education, or an individualized education plan developed for an exceptional child. (K.S.A. 72-8237)
4. There is hereby established in every district which establishes, operates and maintains a summer program a fund which shall be called the summer program fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by a district from fees collected under this section or from any other source for summer programs shall be credited to the summer program fund. The expenses of a district directly attributable to summer programs shall be paid from the summer program fund. (K.S.A. 72-8237)
5. As used in this section, the term "summer program" means a program which is established by the board of education of a school district and operated during the summer months for the purpose of giving remedial instruction to pupils or for the purpose of conducting special projects and activities designed to enrich and enhance the educational experience of pupils, or for both such purposes. (K.S.A. 72-8237)
6. Listed below is the table which shows potential revenue that may/shall be deposited in the summer program fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
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LOCAL

- Student TuitionSummer School Fund
- Interest on Idle Funds (Permissive)Summer School Fund
- Transfer from the General FundSummer School Fund
- Transfer from the Supplemental General FundSummer School Fund
- Transfer from Contingency Reserve FundSummer School Fund
- Miscellaneous Revenue (Permissive)Summer School Fund
- * ReimbursementsSummer School Fund

EXTRAORDINARY SCHOOL PROGRAM FUND

1. As used in this section, the term "extraordinary school program" means a program which is established by the board of education of a school district, operated before or after regular school hours during the regular school term, and maintained for any or all of the following purposes: (1) providing pupils with additional time to achieve learner exit or improvement plan outcomes; (2) giving pupils remedial instruction or independent study assistance; (3) affording pupils an opportunity to strengthen or attain mastery of basic or higher order thinking skills; and (4) conducting special projects and activities designed to enrich and enhance the educational experience of pupils. (K.S.A. 72-8238)
2. There is hereby established in every district which establishes, operates and maintains an extraordinary school program a fund which shall be called the extraordinary school program fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by a district from fees collected under this section or from any other source for extraordinary school programs shall be credited to the extraordinary school program fund. The expenses of a district directly attributable to extraordinary school programs shall be paid from the extraordinary school program fund. (K.S.A. 72-8238)
3. The board of education of any school district may: (1) establish, operate and maintain an extraordinary school program for pupils who meet the district's criteria for attendance of such programs; (2) enter into cooperative or interlocal agreements with one or more other boards of education for the establishment, operation and maintenance of an extraordinary school program for pupils; and (3) prescribe and collect fees for providing an extraordinary school program for pupils or provide such program without charge. (K.S.A. 72-8238)
4. Fees for providing an extraordinary school program for pupils shall be prescribed and collected only to recover the cost incurred as a result of and directly attributable to the establishment, operation and maintenance of the program. (K.S.A. 72-8238)
5. No school district may collect fees for providing an extraordinary school program for pupils who are required to attend such a program in accordance with the provisions of law, rules and regulations of the State Department of Education, policy of the board of education, or an individualized education plan developed for an exceptional child or who are eligible for free or reduced price meals under the national school lunch act. (K.S.A. 72-8238)
6. Listed below is the table which shows potential revenue that may/shall be deposited in the extraordinary school program fund. When filing reports within the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
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LOCAL

- Student Tuition/Class FeesExtraordinary School Program Fund
- Interest on Idle Funds (Permissive).....Extraordinary School Program Fund
- Transfer from the General FundExtraordinary School Program Fund
- Transfer from the Supplemental General FundExtraordinary School Program Fund
- Transfer from the Contingency Reserve FundExtraordinary School Program Fund
- Miscellaneous Revenue (Permissive).....Extraordinary School Program Fund
- *ReimbursementsExtraordinary School Program Fund

SPECIAL LIABILITY EXPENSE FUND

1. There is hereby established in every school district a special liability expense fund. Moneys in such fund shall be used to:
 - (a) Pay the cost of providing for its defense and the defense of employees pursuant to the Kansas tort claims act and for the payment of claims and other direct and indirect costs resulting from the implementation of such act; and
 - (b) pay judgments rendered against the district.
2. The district shall credit to the special liability expense fund any moneys received by the district from any source which may be lawfully utilized for the purposes specified by this section including the proceeds of tax levies hereinafter authorized and provided. Any balance remaining in the special liability expense fund at the end of the budget year shall be carried forward into that fund for succeeding budget years. Such fund shall be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In making the budget of the district, the amounts credited to and the amount on hand in such special fund, and the amount expended therefrom, shall be included in the annual budget for the information of the residents of the district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.
3. Whenever the governing body of any school district determines that moneys from other sources will be insufficient to pay such costs, the governing body is hereby authorized to levy an annual tax upon all taxable tangible property within the district in an amount determined by the governing body to be necessary for such purpose and to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located in such school district. (K.S.A. 72-8248. See also K.S.A. 75-6110)
4. Revenue from such levy shall be deposited in the special liability expense fund of the school district.
5. Listed below is the table which shows potential revenue that may/shall be deposited in the special liability expense fund. When filing reports within the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

<u>POTENTIAL SOURCE OF REVENUE</u>	<u>LEGAL FUND THE REVENUE MAY BE DEPOSITED IN</u>
<u>LOCAL</u>	
▪ Ad Valorem Tax.....	Special Liability Expense Fund
▪ Miscellaneous Revenue.....	Special Liability Expense Fund
<u>COUNTY</u>	
▪ Motor Vehicle Property Tax.....	Special Liability Expense Fund
▪ Motor Vehicle 16/20M Truck Property Tax.....	Special Liability Expense Fund
▪ Recreational Vehicle Tax.....	Special Liability Expense Fund
▪ In Lieu of Tax Payments from Industrial Revenue Bonds.....	Special Liability Expense Fund

EXTRAORDINARY GROWTH FACILITIES FUND

1. The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year for two years in an amount authorized by the state board of tax appeals for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighted to enrollment of the district. (K.S.A. 72-6441)
2. The state board of tax appeals shall certify to the state board of education the amount authorized to be produced by the levy of a tax under subsection (a). (K.S.A. 72-6441)
3. The state board of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this subsection including rules and regulations relating to the evidence required in support of a district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose. (K.S.A. 72-6441)
4. The provisions of this subsection apply to any district that (a) commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing; (b) is authorized to adopt and has adopted a local option budget which is at least equal to that amount required to qualify for school facilities weighting under K.S.A. 2005 Supp. 72-6415b, and amendments thereto; and (c) is experiencing extraordinary enrollment growth as determined by the state board of education. (K.S.A. 72-6441)
5. The board of any district that has levied an ad valorem tax on the taxable tangible property of the district each year for a period of two years under authority of subsection (a) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed three years in an amount not to exceed the amount computed the state board of education as provided in this subsection if the board of the district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the district. (K.S.A. 72-6441)

**LEGAL FUND THE REVENUE
MAY BE DEPOSITED IN**

POTENTIAL SOURCE OF REVENUE

LOCAL

- Ad Valorem Property Tax Extraordinary Growth Facilities Fund
-

COUNTY

- Motor Vehicle Property Tax..... Extraordinary Growth Facilities Fund
- Motor Vehicle 16/20M Truck Property Tax..... Extraordinary Growth Facilities Fund
- Recreational Vehicle Tax Extraordinary Growth Facilities Fund
- In Lieu of Tax Payments from
Industrial Revenue Bonds Extraordinary Growth Facilities Fund

CONTINGENCY RESERVE FUND

1. There is hereby established in every district a fund which shall be called the contingency reserve fund, such fund shall consist of all moneys deposited therein or transferred thereto according to law. (K.S.A. 72-6426)
2. The fund shall be maintained for payment of expenses of a district attributable to financial contingencies as determined by the board. (K.S.A. 72-6426)
3. Except as otherwise provided in subsection (b), at no time in any school year shall the amount maintained in the fund exceed an amount equal to 6% of the general fund budget of the district for the school year. (K.S.A. 72-6426)
4. In any school year, if the amount in the contingency reserve fund of a district is in excess of the amount authorized under subsection (a) to be maintained in the fund, and if such excess amount is the result of a reduction in the general fund budget of the district for the school year because of a decrease in enrollment, the district may maintain the excess amount in the fund until depletion of such excess amount by expenditure from the fund for the purposes thereof. (K.S.A. 72-6426)
5. The only source of revenue is a transfer from general fund.

SPECIAL RESERVE FUND

The disability income benefits reserve fund, the health care services reserve fund, the group life insurance reserve fund, and the workers' compensation reserve fund have been combined into the special reserve fund. Language that pertains to all municipalities, including school districts, has been amended to specify that school districts are able to pay costs relating to uninsured losses from the special reserve fund.

- a. There is hereby established in every school district a special reserve fund. Moneys in such fund shall be used to:
 1. pay claims, judgments, expenses and other purposes relating to health care services, disability income benefits and group life insurance benefits as authorized by K.S.A. 72-8415a, and amendments thereto;
 2. pay costs relating to uninsured losses; and
 3. pay the cost of workers' compensation insurance and workers' compensation claims, awards, expenses and other purposes authorized by the workers' compensation act.
- b. Any balance remaining in the special reserve fund at the end of the budget year shall be carried forward into that reserve fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amount credited to and the amount on hand in the special reserve fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in such fund shall be credited to such fund. (K.S.A. 44-505e)

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

Through the 2005 omnibus appropriations bill, the Legislature amended the procedures for the state paying the school districts' employer's share of KPERS. The change will require KPERS to certify to the State Department of Education the employer's share of KPERS for every school district on a quarterly basis.

Participating employers shall certify to the state board of education before September 15 of each year the anticipated total compensation to be paid during the next fiscal year to employees who are or are to become members.

The State Department of Education will send the money to the school districts which in turn will immediately return the money to KPERS.

The Legislature established a special fund in your budget for this purpose called KPERS Special Retirement Contribution Fund. This is a flow-through fund and an unencumbered cash balance is not allowed. Estimated transaction dates: July 15; October 15; January 15; April 15. (K.S.A. 74-4939)

TEXTBOOK AND STUDENT MATERIALS REVOLVING FUND

(Permissive)

1. (a) There is hereby established in every school district a textbook and student materials revolving fund. Moneys in such fund shall be used to:
 - (1) Purchase any items designated in K.S.A. 72-5389, and amendments thereto;
 - (2) pay the cost of materials or other items used in curricular, extracurricular or other school-related activities; and
 - (3) purchase textbooks as authorized by K.S.A. 72-4141, and amendments thereto. (K.S.A. 72-8250)
- (b) Any balance remaining at the end of the budget year shall be carried forward into that fund for the succeeding years. Such fund shall not be subject to the provisions of K.S.A. 72-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the textbook and student materials revolving fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund. (K.S.A. 72-8250)
2. The board of education of any school district may purchase, for the use of the pupils of the district, any of the following:
 - (a) Workbooks and materials which are supplemental to textbooks used in specific sources;
 - (b) specialized clothing and towels for use in physical education, shop and science courses;
 - (c) musical instruments for use in band or orchestra;
 - (d) instructional materials for the use of technology in specific courses; and
 - (e) materials or supplies which are consumed in specific courses or projects or in which the pupil may retain ownership upon completion of such courses or projects. (K.S.A. 72-5389)
3. (a) The board of education may prescribe, assess and collect fees and supplemental charges for :
 - (1) the use, rental or purchase by pupils of any of the items designated in K.S.A. 72-5389, and amendments thereto, to offset, in part or in total, the expense of purchasing such items; and
 - (2) participation in activities, or the use of facilities, materials and equipment which participation or use is not mandatory but optional to pupils, whether incidental to curricular, extracurricular or other school-related activities. (K.S.A. 72-5390)
- (b) Moneys received by a board of education under this section shall be deposited in the textbook and student materials revolving fund. (K.S.A. 72-5390)

BOND & INTEREST FUND (a.k.a. Capital Improvements Fund)

In each school year, each school district which is obligated to make payments from its capital improvements fund shall be entitled to receive payment from the school district capital improvements fund in an amount determined by the state board of education as provided in this law. Payments from the state's school district capital improvement fund shall be distributed to school districts at times determined by the state board of education to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations, and apply only to contractual obligations incurred by school districts pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds. (K.S.A. 75-2319)

Amounts transferred to the capital improvements fund of a school district as authorized by K.S.A. 72-6433, and amendments thereto, shall not be included in the computation when determining the amount of state aid to which a district is entitled to receive under this section. (K.S.A. 75-2319)

The applicable statutes include, but are not limited to Chapter 10, Article 1, of the General Bond Law and K.S.A. 72-6761 *et. seq.* and any acts amendatory thereof or supplemental thereto.

The detailed information for bonds are contained in the publication entitled, "SCHOOL BOND GUIDE." This publication can be accessed on the School Finance home page on the KSDE website. The address is <http://www.ksde.org/Default.aspx?tabid=1877> - Select > SCHOOL BOND GUIDE.

VIRTUAL EDUCATION FUND

1. There is hereby established in every school district a fund which shall be called the virtual school fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. Moneys received as virtual school state aid shall be deposited in the general fund of the school district and transferred to the virtual school fund of the district. The expenses of a district directly attributable to virtual schools offered by a school district shall be paid from the virtual school fund. The cost of an advance placement course provided to a pupil described in subsection (d) (2) (D) shall be paid by the virtual school.
2. Any balance remaining in the virtual school fund at the end of the budget year shall be carried forward into the virtual school fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto.
3. In preparing the budget of such school district, the amounts credited to and the amount on hand in the virtual school fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.
4. Listed below is the table which shows potential revenue that may/shall be deposited in the virtual education fund. When filing reports with the State of Kansas and the State Department of Education, all revenue should be identified in the following categories.

POTENTIAL SOURCE OF REVENUE	LEGAL FUND THE REVENUE MAY BE DEPOSITED IN
LOCAL	
▪ Transfer from General Fund	Virtual Education Fund
▪ Transfer from Supplemental General Fund	Virtual Education Fund
▪ Transfer from Contingency Reserve Fund.....	Virtual Education Fund
▪ Tuition.....	Virtual Education Fund
▪ Interest in Idle Funds (Permissive)	Virtual Education Fund
▪ Miscellaneous Revenue (Permissive)	Virtual Education Fund

OTHER RELATED BUDGET ISSUES

FIXED ASSET ACCOUNTING (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES) WAIVER

Municipalities, including unified school districts, are authorized by K.S.A. 75-1120a to request a waiver from the Generally Accepted Accounting Principles (including fixed asset accounting). The governing body must pass a resolution annually. Waiver procedures and a sample resolution are available on the Municipal Services website: <http://da.state.ks.us/ar/muniserv>

REPUBLISHING FUNDS

Unified school districts are authorized to amend their current budgets by complying with the same publication notice and public hearing requirements as is required for the adoption of the original budget. Any proposed increase in expenditures shall be balanced by previously unbudgeted increases in revenue other than ad valorem property taxes. (K.S.A. 79-2929 and 79-2929a)

GIFTS AND GRANTS FUND

This provision shall be construed, but not by way of limitation, as being particularly applicable to powers and authorities with respect to bequests, legacies, trusts, and property or interest in property of any kind whatsoever. Any bequest, legacy, trust or donation may be deposited in a separate fund of the district and if placed in such fund the same shall be exempt from budget law requirements and shall be used in compliance with the wishes of the donor as nearly as may be. (K.S.A. 72-8210)

MEDICAID

FUNDS RECEIVED BY SCHOOL DISTRICTS UNDER THE SCHOOL DISTRICT ADMINISTRATIVE CLAIMING PROGRAM FUNDED THROUGH MEDICAID

A number of districts have completed all the paperwork to participate in the Kansas School District Administrative Claiming Program. Monies received from this program are federal dollars and are considered as a reimbursement to the General Fund. In other words, monies under this program would be deposited in the General Fund but can be spent above the Legal Maximum General Fund Budget if funds are received during the same year. If funds are received from a previous year, they are treated as miscellaneous revenue and deposited in a special fund authorized by K.S.A. 72-6427.

TUITION REIMBURSEMENT FUND

The secretary of social and rehabilitation services shall pay tuition to the board of education of any school district for children in any institution under the jurisdiction of the secretary who attend any of the schools of such school district. The amount of tuition shall be determined on the basis of the average operating cost per pupil of the school district, less the proportionate amount of state aid received by such school district as determined by the state board of education.

There is hereby established in every district a fund which shall be called the tuition reimbursement fund, which fund shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a district attributable to the costs of providing educational services to a child in an institution under the jurisdiction of the secretary who attends the school shall be paid from the tuition reimbursement fund. (K.S.A. 72-8223)

*** REIMBURSEMENTS**

Includes those revenues which are received for materials and supplies purchased by students which were paid out of this fund. This would also include reimbursement for items such as insurance premium payments if the cost(s) were paid from that fund.



If monies are received after the close of a fiscal year for an expense that was paid in a previous year, then the money is considered miscellaneous revenue under K.S.A. 72-6427 and is placed in one of the special funds authorized by that law.

GUIDELINES FOR ACTIVITY FUNDS

Much of this document is based on the Association of School Business Officials International (Reston, VA), *Guidelines to Student Activity Fund Accounting*. We express our gratitude to the Association for allowing us to use its material.

The nature of activity funds makes them particularly vulnerable to misuse and fraud. For this reason this document focuses on policies and procedures a school district can adopt to improve controls over these funds. Except for certain disbursement procedures and reporting these funds in the district's financial statements, these guidelines are not mandated, but are suggested procedures with two objectives in mind: 1) to safeguard activity fund moneys, and 2) to provide the USD with an efficient and effective means to administer activity funds.

Many USDs will find that these guidelines constitute *minimum* controls they want to adopt. To adopt anything less would likely increase the risk of misuse or fraud. Therefore, before discounting any of these suggested policies and procedures, you should consult your auditor. Your auditor cannot only explain the importance of these internal controls, but can also assist you in implementing them.

Application and Effective Date

These guidelines apply to all unified school districts in Kansas and are effective beginning July 1, 1995.

Exemption from Guidelines

K.S.A. 72-8208a, includes the following provisions:

1. School district boards may authorize, by resolution, school activity funds to account for "activities" (athletics, music, forensics, dramatics, one-time special projects, etc.), and school district employees shall account for these school activity funds. The uniform payment of claims requirements of K.S.A. 12-105b shall not apply to school activity funds established by such resolutions.
2. Moneys from receipts for "activities" (athletics, music, forensics, dramatics, one-time special projects, etc.), shall be credited to activity funds following policies and procedures of the school district board, but these moneys are not subject to K.S.A. 72-8202d.

Thus, a USD which uses its discretionary authority to create such activity funds under the provisions of K.S.A. 72-8208a appears to be exempt from the provisions of these guidelines for such funds. Instead, such activity funds are to be handled, as noted above, in accordance with policies and procedures of the school district board. All other activity funds should follow these guidelines.

Summary

Activity funds are accounting funds, similar to the general fund and special revenue funds. They are created for the purpose of accounting for moneys related to co-curricular activities such as student organizations and athletics. Activity funds can be divided into two categories based on who the money belongs to: 1) student activity funds (money belongs to the students) and 2) district activity funds (money belongs to the school district).

The collection, disbursement, and accounting for activity fund moneys is usually centralized at the building level, with the building principal designated as the *activity fund supervisor*. The principal's secretary normally acts as *activity fund bookkeeper*.

In addition to handling activity fund moneys, the activity fund supervisor and bookkeeper may also account for non-activity fund moneys such as fee collections, sales tax, and petty cash. These non-activity fund moneys can be accounted for along with activity fund moneys in the same checking account.

Thus, the activity fund supervisor may be responsible for several different types of funds at the building level: 1) student activity funds which belong to the students, 2) district activity funds which belong to the district, and 3) non-activity funds which normally belong to the district. Student activity funds are usually collected and disbursed at the building level. District funds, on the other hand, must be disbursed at the district level. This means that district moneys collected at the building level must be transferred to the district treasurer.

Petty cash at the building level can be treated much like an activity fund in the same checking account. However, a separate checking account for petty cash may be necessary if different check signers are used.

Introduction

What are activity funds?

Activity funds are accounting funds just like a general fund or a special revenue fund. Each activity fund is an independent accounting entity, its purpose being to segregate its financial activity from that of other funds because of special restrictions or limitations on how its money can be spent.

Activity funds are unique to school districts. They account for moneys related to *co-curricular* activities. Co-curricular activities are those activities outside the classroom which complement the curriculum. Co-curricular activities include those of student clubs and organizations, as well as district-administered activities such as sports events, drama productions, and music concerts.

Two types of activity funds

There are two types of activity funds: 1) student activity funds, and 2) district activity funds. The distinction between these two types is in *who the money belongs to*. To put it another way, *who controls how the money is spent?* As the name implies, student activity fund moneys belong to the students. Similarly, district activity fund moneys belong to the school district.

Student Activity Funds

Student activity funds consist of those student activities that revolve around a student organization. The students in the organization not only participate in the activities of the organization, but also are involved in the management of the organization's activities. Further, disbursement of the organization's moneys is subject to the approval of the student organization (and its sponsor), and not the school's board of education. *If it isn't a student organization, it should not be classified as a student activity fund!* A listing of typical student activity funds is shown in Exhibit 1 (page 9)

District Activity Funds

District activity funds consist of co-curricular activities that have student participation in the activity, but are administered by the district. The most important factor that distinguishes this type of activity fund from student activity funds is that approval for disbursement of district activity fund moneys rests with the school's board of education, not the students. In other words, the district controls how district activity fund moneys are spent. Except for those district activity funds created under K.S.A. 72-8208a, these funds must be treated like any other district fund. That is, they should be deposited in the district's bank account by the district treasurer and expended in accordance with the Uniform Payment of Claims Act. See Exhibit 2 (page 10) for a listing of typical district activity funds.

All activity funds must be reported in the school district's financial statements.

All activity funds must be reported in the school district's financial statements. This includes student activity funds, even though such funds do not "belong" to the district.

Student activity funds should be reported in the district's financial statements as agency type funds. District activity funds, on the other hand, should be reported in one or more special revenue funds.

Controls for Establishing and Maintaining Activity Funds

To establish and maintain proper control over activity funds, one should first recognize the general lines of authority over such funds. Then, the local board of education should formally adopt activity fund policies. From these policies, more specific internal controls should be created at both the district and building levels.

Lines of Authority for Activity Funds

The following illustrates the lines of authority that most school districts should follow for activity funds:

- **Board of Education** - The board of education should adopt policies to govern the establishment and operations of all activity funds.
- **Superintendent** - The superintendent is responsible for administering all board policies.
- **District Treasurer** - The district treasurer, being the fiscal officer of the school district, has overall responsibility for the accounting and reporting of all activity funds to the board. The district treasurer is also responsible for implementation and enforcement of required internal control procedures. The district treasurer may delegate custodial and other functions to other district employees.
- **Principal** - The principal is normally designated as the activity fund “supervisor” for that building. As supervisor of the activity fund for the building, the principal has overall responsibility for the operation of the activity funds, which includes: 1) collection and deposit of activity fund moneys, 2) approving disbursements of activity fund moneys, and 3) bookkeeping responsibilities. Depending on the circumstances, the principal may delegate all or some of their supervisory responsibilities. For example, the bookkeeping function may be delegated to an office worker such as the principal’s secretary. And the approval of disbursements and signing of checks may be delegated to an assistant principal.
- **Sponsors (Advisors)** - The sponsor or advisor is responsible for supervising the activities of the student organization or program and any other duties assigned by the proper administrative authority. The sponsor or advisor may be a teacher or an administrative employee of the district.

Suggested School Board Policies for Establishment and Operation of Activity Funds

The following are suggested policies for the establishment and operation of activity funds. These policies are in no way intended to be all-inclusive.

- 1) All activity funds should be approved by the board of education or its designee. Application for creation of a student organization should be accompanied by a statement of the organization’s purpose and proposed fund-raising activities. The name of the student organization should, insofar as possible, indicate its purpose. Acronyms should be avoided as much as possible in naming the organization.
- 2) All activity funds should be operated in accordance with sound internal control procedures and forms prescribed by the district treasurer.
- 3) All fund-raising activities for activity funds should be approved in advance by the superintendent or designee.
- 4) Activity fund moneys should, insofar as possible, be expended in such a way as to benefit those students who have contributed to the accumulation of such moneys.
- 5) Each activity fund must comply with the cash-basis law. That is, no commitments or indebtedness should be incurred unless there is available cash in the fund.
- 6) All activity funds must be audited along with other funds of the district.
- 7) The superintendent should designate one or more activity fund supervisors. Generally, there should be no more than one activity fund supervisor at each building or attendance center. More or less supervisors can be designated, depending on the needs of the district.
- 8) Each activity fund supervisor should maintain a checking account and/or petty cash account at the attendance center, depending on the needs of the center. Using more than one checking account per attendance center should be discouraged.
- 9) Activity fund moneys should not be used for any purpose that represents an accommodation, loan, or credit to school employees or other persons.

Segregation of Duties Related to Activity Funds

Proper segregation of duties should be implemented whenever possible. There are three critical duties that should be separated for internal control purposes: 1) signing checks, 2) maintaining fund accounting records, and 3) reconciling the bank statement.

The activity fund bookkeeper will normally have the most time-consuming tasks related to activity funds. These tasks likely will include collection of activity fund moneys, preparation of the deposit slip and deposit of the moneys, maintenance of the fund accounting records, and preparation of the checks for disbursement. It is best to require two signatures on the checks. The principal of the attendance center should normally be the primary check signer. The second check signer preferably should be someone other than the activity fund bookkeeper. If possible, someone other than the bookkeeper should reconcile the bank statement to the fund accounting records. At a minimum, however, the principal should review the bank reconciliation.

Emphasis of Internal Accounting Controls Over the Activity Fund Cash Collections

Because substantial amounts of activity fund cash receipts are collected in the form of currency, as opposed to checks, particular emphasis should be placed on internal control procedures designed to safeguard moneys collected.

Particularly important is providing an audit trail that creates documentary (physical) evidence for each step in the flow of transactions. For example, all moneys collected should be substantiated by pre-numbered receipts, cash register receipts which show cumulative readings, pre-numbered tickets, or other auditable, checkable records. The following suggestions should be considered:

- 1) Procedures should be in writing and distributed to all activity fund supervisors and sponsors.
- 2) Generally, all forms, receipts, and tickets should be pre-numbered.
- 3) A perpetual inventory should be maintained on pre-numbered forms, receipts, and tickets.
- 4) Where tickets are used, ticket reports and unsold tickets should be available for audit.
- 5) Pre-numbered forms should not be printed in the school printing office.
- 6) The student organization's sponsor should keep records of cash collections by source.
- 7) The person who collects cash for an event should be changed frequently. For example, you should rotate persons used as cash collection agents for sporting events, concessions, and vending machines. To the extent possible, DO NOT ALLOW the same person to collect cash for the same event or purpose continuously.
- 8) Generally for gate receipts, such as cash collected at sporting events, the cashier should sell tickets which are then collected by a second person. This two-person arrangement may not be feasible for low-attendance events.
- 9) For concession stands, it is preferable to use one cashier. This procedure will normally speed up concession operations and reduce cash handling problems. This arrangement may not be feasible depending on the volume of activity and physical arrangement of the stand.
- 10) No collections should be turned over to a cashier, such as the activity fund bookkeeper, without receiving a pre-numbered receipt.
- 11) The activity fund bookkeeper should use pre-numbered, bound receipts for all currency or checks received. One copy of each receipt should be retained in the receipt book.
- 12) The activity fund bookkeeper should deposit all receipts intact. This means that all receipts should be deposited in the form they are collected. They should not be used for making change or disbursements.
- 13) The activity fund bookkeeper should deposit all receipts as often as possible, preferably on a daily basis. Undeposited receipts should be kept under lock with limited access.

Disbursement Procedures for Student Activity Funds

The activity fund supervisor will be handling two types of funds at the building level: 1) funds which contain moneys belonging to the students (student activity funds), and 2) funds which contain moneys belonging to the district. Moneys which belong to the students will normally stay at the building level, whereas moneys which belong to the district will be transferred to the district treasurer, usually by means of a check being written on the activity fund checking account.

Disbursement of student activity fund moneys is controlled at the building level. In contrast, district moneys collected at the building level (i.e., moneys belonging to the district as opposed to the students) must by law be transferred to, and deposited by, the district treasurer (unless exempt under K.S.A. 72-8208a) and a policy approved by your local board of education).

Disbursement procedures for student activity fund moneys will differ somewhat from the procedures followed by the district treasurer for expending district moneys because of the strict laws that must be followed for disbursement of district funds. The primary difference is the approval process. Disbursement of student activity funds requires approval of the student organization's sponsor and activity fund supervisor (principal). Disbursement of district funds requires the approval of the governing body (local school board).

Generally speaking, the disbursement procedures for student activity funds at the building level should parallel the disbursement procedures at the district level as closely as possible. The following procedures are recommended specifically for student activity funds. You may wish to add additional procedures, or change these procedures, depending on your situation.

- 1) Student activity fund cash disbursements should be first approved by the student organization and then by the organization's sponsor. It is a good idea to also require the approval of the activity fund supervisor (principal).
- 2) The district may wish to establish a dollar limit for student activity fund disbursements, any disbursement in excess of the limit requiring approval at the district level by either the superintendent or the school board.
- 3) Student activity fund disbursements should be substantiated by a voucher signed by the organization's sponsor and/or the principal. A voucher system similar to that used at the district level would be appropriate.
- 4) All disbursements should be made by a pre-numbered check. The checks normally will be prepared by the active fund bookkeeper and signed by the activity fund supervisor (principal).
- 5) Certain "small-dollar" purchases may not require the formal use of a purchase order or voucher. However, this does not mean that approval of the disbursement and related documentation is eliminated. Assuming a formal purchase order/voucher form is in use, a form similar to the voucher should be completed at the time the activity fund bookkeeper writes the check for the disbursement. This documentation of the disbursement should then be filed in the same manner as the purchase order/voucher forms. This alternative voucher form should show: 1) who requested the purchase, 2) what the purchase was for, 3) which activity fund is to be charged, 4) the amount, and 5) the check number.
- 6) The activity fund bookkeeper should prepare each month a report showing the financial activity for each fund the bookkeeper is responsible for. This report should be titled "Activity Fund Monthly Report of Cash Receipts and Disbursements" and have the following column headings: 1) beginning cash balance (this figure should agree with the ending cash balance on the prior month's report), 2) cash receipts, 3) cash disbursements, 4) ending cash balance, 5) unpaid purchase orders, and 6) unencumbered cash. If unpaid purchase orders exceed the ending cash balance for any fund, a cash basis law violation has occurred. This report should be reviewed by the activity fund supervisor (principal) and submitted to the superintendent or designee on a timely basis.
- 7) The activity fund bookkeeper should prepare a financial report for each student organization showing, at a minimum, the organization's cash receipts and disbursements. Preferably these reports should be prepared monthly. The reports should be reviewed by the activity fund supervisor (principal) and submitted to the student organization's sponsor.
- 8) Each student organization sponsor should compare the report prepared by the activity fund bookkeeper with the sponsor's records. Any discrepancies should be resolved immediately.

What about Non-Activity Funds?

Even though reference is made to the "activity fund" supervisor and the "activity fund" bookkeeper, this is not to say that non-activity funds must be handled differently. More often than not, moneys will be collected at the building level which do not fit into the "activity fund" category. Some of these moneys are more closely identified to curricular activities rather than co-curricular activities (remember that activity funds are related to co-curricular activities). Thus, by strict definition these would not be considered activity funds.

Like activity funds being collected at the building level, non-activity fund moneys must also be accounted for at the building level, even if only temporarily until the money can be transferred to the district treasurer. And because of the need to deposit all moneys collected intact and on a timely basis, it may be necessary for the activity fund bookkeeper to include non-activity fund moneys along with activity funds in the same checking account. There is no problem with doing this. Generally it will be easier to use the same checking account for all moneys collected at the building level, rather than creating separate checking accounts for specific types of moneys. But the same internal control procedures should be observed for all moneys collected.

Non-activity funds that may be encountered at the building level include fee funds, sales tax moneys, revolving funds, and petty cash. All of these can be treated as separate "accounting funds" by the activity fund bookkeeper. But because of their special nature, each is discussed separately below.

Fee Funds

School districts usually have numerous fee funds such as those shown in Exhibit 3. These funds are not presented in the district's financial statements like the general, special revenue, and other district funds. They are merely vehicles to accommodate the collection of fees and user charges.

Fees collected by teachers and administrative employees of the district must be credited to a specific district fund. The most common one is the Textbook and Student Materials Revolving Fund. Fees collected are given directly to the district treasurer, and the district treasurer will deposit the moneys the appropriate district fund immediately.

Often, however, it is not feasible on a daily basis to give the fees collected at the building level directly to the district treasurer. Therefore, the fees must be deposited temporarily in the activity fund checking account for safekeeping. Periodically (at least at the end of each month), the activity fund bookkeeper should write a check (to be signed by the activity fund supervisor) to the district treasurer and submit, along with the check, a statement which breaks down the check into the amounts to be credited to one or more district funds. The district treasurer then will deposit the check into the district checking account and credit the appropriate district funds, such as the Textbook and Student Materials Revolving Fund.

These fee funds are “receipt only” funds. Disbursements should not be made from them except by the activity fund bookkeeper to transfer the money to the district treasurer, who will then deposit the money into the district’s checking account.

It is not necessary for the activity fund bookkeeper to create a separate checking account for fee funds. Fee receipts can be deposited into the same checking account that is used for activity funds, but they should be transferred out at the end of each month. That is, a check for the total amount of fee receipts collected during the month should be written to the district treasurer on the last day of the month. This is especially important at year-end to ensure that the moneys are reflected in the appropriate district fund on the district’s books at the end of the fiscal year.

Sales Tax

It is possible that sales tax moneys will be collected at the building level for co-curricular related activities. For districts that have obtained multiple sales tax numbers, it may be more practical to report and remit sales tax to the Department of Revenue from the building level for some numbers and from the district level for other numbers. The Department of Revenue encourages entities to consolidate, to the extent possible, this reporting and remitting.

Revolving Funds

Some school districts currently use revolving funds to accommodate instruction in vocational education classes such as shop, automotive, and body classes. Use of such funds is especially common at vocational schools. These revolving funds should be abolished at school districts (but not vocational schools) and replaced with petty cash. If miscellaneous receipts cannot be deposited with the district treasurer on a timely basis, a fee fund should be created for such receipts.

Petty Cash

NOTE: Gate receipts funds established under the authority of K.S.A. 72-8208a are not subject to these activity fund guidelines. Therefore, the following discussion related to replacing gate receipts funds with petty cash accounts would not apply. But the discussion does apply to all gate receipts funds not established under the authority of K.S.A. 72-8208a.

Replacing Gate Receipt Funds with Petty Cash

Many school districts have been accustomed to spending gate receipt moneys at the building level. However, these moneys belong to the district, and they must be transferred to, and deposited by, the district treasurer. Principals/athletic directors who previously controlled such moneys at the building level may object to the perceived loss of: 1) control of these moneys, and 2) flexibility for making disbursements. By not having the money under their direct control, the principal/athletic director is unsure about how much money is available to work with.

Clearly, by depositing these moneys with the district treasurer, the principal/athletic director is losing some control. By using petty cash, however, the principal/athletic director will have adequate flexibility to make disbursements. The important point here is that the moneys belong to the school district. Therefore, it is the school district, not the principal/athletic director, who should establish the internal controls, which, in turn, establish the flexibility or inflexibility for handling these moneys.

Further, there is no reason why the principal or athletic director needs to be left in the dark about how much money they have to work with. An informal budgeting system can be used in which the building principal or athletic director submits an annual budget of expenditures for approval by the superintendent. That approved budget then becomes the expenditure plan of the principal/athletic director for the coming year. Actual disbursements in accordance with the informal budget would be made through petty cash, and/or the related district gate receipt fund.

What is Petty Cash?

Petty cash is a source of cash used for making small disbursements. Depending on need, petty cash may consist of currency on hand (say, \$100), or moneys in a checking account (say, \$1,500). If the purpose of the petty cash is to avoid writing checks for small amounts, a small amount of currency on hand is sufficient. If, however, the purpose is to expedite certain disbursements, a larger amount in a checking account may be needed.

Both types of petty cash are commonly used by school districts. The use of petty cash is authorized by K.S.A. 72-8208 for the purpose of making emergency type disbursements. Depending on your needs, you may

wish to establish petty cash accounts for some or all activity fund bookkeepers. In addition, you may find a need for the athletic director or certain student organization “sponsors” to have petty cash.

Petty cash is normally not needed for student activity funds. Because student activity funds are controlled at the building level, even emergency type disbursements can be made with relative ease. On the other hand, petty cash is often necessary for certain types of disbursements chargeable to district funds because it is not feasible to gain governing body approval in advance. For example, use of petty cash would be appropriate for paying referees who work at an athletic event.

How to Create a Petty Cash Account

K.S.A. 72-8208 specifies how petty cash accounts are established. Each petty cash account must be approved by a resolution of the local school board, and cannot exceed \$1,500. In authorizing the petty cash, the board should clearly state: 1) the amount of petty cash authorized for this purpose, 2) what types of disbursements can be made in advance, and 3) a dollar limit of such disbursements, above which board approval is required. Usually petty cash will be approved for more than one type of disbursement. The petty cash account should normally be maintained by the activity fund bookkeeper, along with activity fund moneys.

To create the petty cash account, the district treasurer normally will write a check to the activity fund bookkeeper (i.e., the petty cash custodian), who will then deposit the check into the activity fund checking account along with activity fund moneys. The activity fund bookkeeper will track the receipts and disbursements of the petty cash account just as if it were an activity fund. Cash receipts posted to the petty cash account will always be checks written to the bookkeeper by the district treasurer to *replenish* the petty cash.

Creation of Petty Cash Account Does Not Change Cash Balance of General Fund!

Even though a check is written on the district treasurer’s checking account to establish the petty cash account, this check is not a disbursement that reduces the cash balance of the general fund. Charges to the general, or any other fund, are not appropriate until the petty cash is *replenished*.

So if you don’t reduce the cash balance of the general fund when you create the petty cash account, what do you do? You are simply moving a portion of the district’s cash from one location (the district level checking account) to another location (the petty cash account). From an accounting, or book entry, standpoint, creating a petty cash account is no different than moving money from a checking account to a savings account, or writing a check to invest in a CD. These transactions have no impact on any book fund (general fund, bond and interest fund, etc.) balances.

So if you don’t record a disbursement in the district’s accounting records, how then do you reconcile the bank statement to the district’s accounting records when the checks per the bank will not equal the disbursements recorded in the books? The answer is that you will have a reconciling item for the transaction. The bank’s records and the district’s records will almost always disagree because of legitimate reconciling items such as deposits in transit, outstanding checks, the bank’s charging and redepositing of NSF checks, etc. Setting up a petty cash account will also set up a recurring reconciliation item for the amount of the petty cash account.

Petty Cash Account Is Not Tied Into the General Fund.

At the time a petty cash account is established, the initial “seed” money comes from idle funds. The creation of the petty cash account basically involves transferring the money from one checking account (i.e., the district treasurer’s checking account) to another checking account (i.e., the activity fund bookkeeper’s account). **It is not an advance from the general fund, or any other fund.** It is not tied to the general fund any more than a savings account is tied to the capital outlay fund, or a CD is tied to the bond and interest fund.

Petty Cash Account Is Not a Fund!

A petty cash account is not an accounting fund, in the sense that the general fund is an accounting fund, even though it is often referred to as a petty cash fund. But it is not a fund. Petty cash represents cash available to the petty cash custodian for making disbursements, very much like the district checking account is used by the district treasurer for making disbursements. Petty cash is no more an accounting fund than is the district checking account.

This may sound confusing because at the building level, petty cash is treated just like a student organization fund. From the viewpoint of the activity fund bookkeeper, petty cash is another “fund” that must be segregated for accounting purposes. However, from the viewpoint of the district, the petty cash “fund” maintained by the bookkeeper is not a fund. Rather, it is a part of the district’s cash balance.

How to Report Petty Cash in the District’s Financial Statements.

Petty cash is **NEVER** reported as an accounting fund anywhere on the district’s financial statements. Instead, it should be reported as a source of the district’s idle funds, or cash, along with other sources of cash like the district checking account, a savings account, and investments.

If the petty cash account is closed out at year-end, the related moneys will simply be deposited into the district’s checking account. Just as no fund balances were changed when the petty cash account was created, the same can be said when the petty cash account is closed out. No entries are needed in the accounting system which would change the balance of any accounting fund.

Petty Cash Policy Recommendations.

If you decide to use one or more petty cash accounts, you should adhere to the following special rules:

- 1) The petty cash account should be approved by the district’s board of education in an amount and for the purposes determined by the board. A limit should be placed on individual petty cash disbursements, above which the disbursement must be approved by the board.
- 2) Any petty cash account should be financed by the district’s idle funds. The district treasurer should write a check for the amount of the petty cash account payable to the petty cash custodian. There is no change in the balance in any fund. Transferring cash from the district treasurer to a petty cash custodian does not represent an expenditure from any fund. It is simply moving cash from one source to another, much like moving cash from the checking account to a savings account.
- 3) After the petty cash account has been established, all reimbursements to it are made from the respective funds that should be charged for the petty cash disbursement. That is, charges are made to the respective accounting funds, such as the general fund, when the petty cash is replenished.
- 4) The petty cash should be in the sole custody of a single employee, the petty cash custodian. Generally, the activity fund bookkeeper should act as petty cash custodian. If the petty cash account requires a checking account, it should be incorporated into the activity fund bookkeeper’s checking account. That is, the petty cash should be deposited into the activity fund checking account along with activity fund moneys. There is no need for a separate checking account unless different check signers are needed for the petty cash disbursements.
- 5) The petty cash custodian is responsible to see that all disbursements are properly accounted for, usually by means of receipts signed by the person receiving the cash. The receipt should document what the disbursement was for and which fund should be charged. A charge is made to the appropriate fund at the time the petty cash is replenished.
- 6) Petty cash should be replenished to its original cash position, usually at the end of each month or more often if needed. To replenish the petty cash account, a check is issued to the petty cash custodian in the amount of the sum of the “receipts” presented by the petty cash custodian. That check will usually be issued by the district treasurer for charges to district funds. At the time the check is written to reimburse the petty cash custodian, the district treasurer will make entries to record the related disbursements similar to this:

	<u>Dr.</u>	<u>Cr.</u>
21600 - Gen Fund, Supp Serv, Supplies	47.45	
23530 - Gen Fund, Gen Adm, Commun	19.20	
24300 - Gen Fund, Sch Adm, Purch Prof Serv	125.00	
26400 - Gen Fund, Op & Maint, Rep Bldgs	32.15	
Cash Account		223.80*

To replenish Lincoln Building Petty Cash Account to authorize \$1,200 level at month end.

* - Check made payable to "Lincoln Building Petty Cash Account"

The amount of the replenishing check should always be for the exact amount of the disbursements previously made from the petty cash account.

- 7) You should close out the petty cash accounts at the end of the school year, and "physically" return the money to the district treasurer. The same petty cash accounts should be re-established at the beginning of the next school year without formal board approval.

IMPORTANT: This procedure is recommended for internal control purposes. If the general fund cash balance was reduced when the petty cash account was created, this procedure is critically important to ensure the general fund unencumbered cash balance is correctly reported at year-end.

- 8) Petty cash should never be reported in the financial statements either as a district fund or a student activity fund. It is nothing more than a source of cash, just like the moneys in the district's checking or savings account.

Classification of Activity Funds in Financial Statements

All activity fund moneys, as well as non-activity fund moneys, should be reflected in the school district's financial statements. Just because such funds may be accounted for at the building level does not mean that they need not be shown in the district's statements. While these moneys are treated like individual funds by the activity fund bookkeeper at the building level, they are treated very differently for financial reporting at the district level.

Student Activity Funds

Student activity funds should be classified as agency funds in the school's financial statements. The school (i.e., the activity fund supervisor) acts as custodian for student organizations' moneys, but has no say in how the money is spent. The school acts as an agent for the various student organizations for which it holds money.

District Activity Funds

District activity funds generally are classified as special revenue funds in the school's financial statements. These funds are district funds, much like other special revenue funds, and require approval of the board of education to be spent.

Fee Funds

Fee funds should never be shown as funds in the district's financial statements. All fee fund moneys should be transferred to the district treasurer at year-end for the purpose of recording the amounts as revenues in the appropriate district fund. If this transfer is not made at year-end, the district's financial statements should be presented as if the transfer had been made. Most fees are provided in K.S.A. 72-4145 and 72-5389 and 90, and are deposited in the Textbook and Student Materials Revolving Fund at the district level.

Petty Cash

Petty cash should be replenished at year-end to make sure that the related disbursements are properly reflected in the district's financial statements. If, after being replenished, the petty cash funds are not transferred back to the district treasurer, the moneys should be shown on the financial statements as another *source of cash*, just like the district checking account or a savings account.

Exhibit 1

List of Authorized Student Activity Funds

(not intended to be all-inclusive)

Art Club	Electronics Club	Lettermen's Club
Auto Club	French Club	Marching Band
Camera Club	Future Farmers of America	Math Club
Cheerleaders Club	Future Homemakers of America	National Honor Society
Chorus Club	Home Economics Club	Pep Club
Class of 1999	Honor Piano Club	Pep Band
Class of 2000	Humanities Club	S.A.D.D.
Class of 2001	Industrial Arts Club	Singers Group Club
Class of 2002	International Club	Spanish Club
Computer Club	Journalism Club	Speech Club
Debate Club	Kayettes	Student Council
Drama Club	Key Club	Student Athletic Booster Club
Drill Team		

Exhibit 2

List of Authorized District Activity Funds

(not intended to be all-inclusive)

- ⇒ Athletic Events - Normally, one fund is sufficient for all athletic events. It is not necessary, nor recommended, to create a separate fund for each sport. However, a separate accounting for each sport or activity could be accomplished using line items within the fund for both receipts and expenditures.
 - ⇒ Lyceums
 - ⇒ Music Concerts
 - ⇒ Plays
 - ⇒ Band Uniforms
 - ⇒ Book Fair
 - ⇒ Special Field Trips
-

Exhibit 3

**List of Authorized Fee Funds
for Collection of Fees and User Charges**

(not intended to be all-inclusive)

These fees are generally required to be deposited in the Textbook and Student Materials Revolving Fund under K.S.A. 72-5390.

- ⇒ Class Materials Charges - Use for the collection of fees for materials and supplies used in the classroom. This fee fund should not be used for charges for workbooks and materials which are supplemental to textbooks (these charges should be included in the Textbook and Student Materials Revolving Fund). A separate student materials revolving fund is authorized at the district level and may be used for charges of this type.
- ⇒ Copier Fees
- ⇒ Enrollment Fees
- ⇒ Food Service Charges (Deposit in Food Service Fund at district level) - Food service collections might have to be broken down between various “reimbursable” and “non-reimbursable” sources for federal reporting purposes. If this is necessary, you may wish to create the following four food service collection fee funds:
 - 1) Food Service Charges - Student School Lunch
 - 2) Food Service Charges - Student School Breakfast
 - 3) Food Service - Student Special Milk
 - 4) Food Service - Non-Reimbursable.
- ⇒ Home Economic Fees
- ⇒ Lab Fees
- ⇒ Musical Instrument Rental Fees - Use for rental fees only. Collections for materials and supplies should be accounted for in the “Class Materials Charges” fee fund.
- ⇒ Physical Education Fees
- ⇒ Shop Fees
- ⇒ Textbook Rental Fees - Use for textbook rental, fines, sales of workbooks and materials supplemental to textbooks, and payments for lost or destroyed textbooks.
- ⇒ Transportation Charges - Use for charges to students for transportation to special events.
- ⇒ Vending Machine Collections - Use to account for certain or all vending machine collections. If a particular student organization is in charge of one or more vending machines, the money should be accounted for through that organization’s activity fund. (If not assigned to a student club or organization, then the money would be treated as miscellaneous revenue as provided in K.S.A. 72-6427 and deposited in a district fund specified in that law.

This publication was prepared jointly by:

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