Accounting

I. Purpose

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

II. General Statement of Policy

The school district will comply with the ~~Uniform Financial Accounting and Reporting Standards (the~~ UFARS~~)~~ for Minnesota public school districts.

III. Maintenance of Accounts

The school district will maintain its financial records and record all financial transactions in compliance with the UFARS provided for in the guidelines adopted by the Minnesota Department of Education and in compliance with applicable state laws relating to reporting of revenues and expenditures.

IV. Expenditures

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

V. School Site and Program Carryover Allocations

The school district enables ~~school~~ district sites and programs to carry over unspent site-generated funds, including but not limited to, donations, fundraiser proceeds, and monies collected for student trips and activities, and unspent capital funds. ~~any unspent funds from its total general fund allocation.~~ If the ~~school~~ district site or program over-spends its non-site-generated allocation, the deficit will be taken from the balance of its undesignated site-generated funds, if available. ~~also be carried over and taken from the next year's allocation~~. The administration is responsible for monitoring the budget allocations. The executive director of ~~business services~~ finance and operations will develop guidelines for applying the procedures (Appendix II).

VI. Instructional Materials and Class Activity Fees

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

VII. Permanent Fund Transfers

Unless otherwise authorized pursuant to ~~Minn. Stat. § 123B.80, as amended, or any other~~ state law, fund transfers will be made in compliance with UFARS and permanent fund transfers will only be made in compliance with ~~Minn. Stat. §123B.79, as amended, or other~~ state law.

VIII. Reporting

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

Legal References

Minn. Stat. § 123B.02	General Powers of Independent School Districts
Minn. Stat. § 123B.09	Boards of Independent School Districts
Minn. Stat. § 123B.10	Publication of Financial Information
Minn. Stat. § 123B.14, subd. 7	Officers of Independent School Districts: Clerk Records
Minn. Stat. § 123B.75	Revenue; Reporting
Minn. Stat. § 123B.76	Expenditures; Reporting
Minn. Stat. § 123B.77	Accounting, Budgeting, and Reporting Requirements
Minn. Stat. § 123B.78	Cash Flow; School District Revenues; Borrowing for Current Operating Costs; Capital Expenditure Deficits
Minn. Stat. § 123B.79	Permanent Fund Transfers
Minn. Stat. § 123B.80	Exceptions for Permanent Fund Transfers
Minn. Stat. § 475	Municipal Debt

Cross References

Policy 704	Annual Audit
Policy 705	Development and Maintenance of an Inventory of Fixed Assets and a Fixed Asset Accounting System

Policy

Adopted	09/27/2010
~~Amended~~Revised	06/20/2011
Revised	09/22/2014

Reviewed	01/30/2017
Revised	04/17/2023
Rev____	__/__/____

Expenditures

I. Appropriate Expenditures

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

A. Classroom or office supplies, furniture, reference materials, and equipment;

B. Costs of employees participating in approved workshops, conferences, and seminars, including registration fees, transportation, lodging, meals, and materials;

C. Costs of betterment, repairing, or maintaining district buildings, grounds, and equipment;

D. Costs of professional services such as auditors, attorneys, engineers, interpreters, and consultants;

E. Costs of contracted services such as election judges, trash removal, and electricians;

F. Reimbursement of employee's expenses incurred while performing duties such as mileage, parking fees, and work-related telephone calls;

G. Purchases of services, supplies, and equipment to provide student food and transportation services;

H. Costs incurred to hold meetings related to district issues including facility rental, speakers, and materials; and

I. Costs of meals for employees and other invited participants at district-sponsored or school-sponsored workshops or meetings that occur over a meal hour when staff is required to stay during the mealtime.

II. Inappropriate Expenditures

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

A. Gifts, flowers, meals, or similar items for personal employee events such as birthdays, anniversaries, Administrative Professionals' Day, Boss's Day, including contributions to "sunshine" funds, social activities, and retirement parties;

B. Alcoholic beverages;

C. Donations or contributions;

D. Entertainment or recreation costs incurred by an employee while attending a conference, seminar, workshop, or other staff development activity;

E. Meals and mileage costs incurred related to non-district functions such as visiting convalescent coworkers, funerals, and retirement parties;

F. Decorations, such as plants and pictures, for an employee's individual workspace as opposed to decorations that enhance the work area as a whole;

G. Costs of individuals, who are not district employees, accompanying a district employee to a seminar, workshop, conference, or other event related to district business;

H. Personal telephone calls, faxes, mail, or email; and

I. Food for meetings unless participants are required to stay at meetings over a meal period.

Appendix

Adopted	09/27/2010
Revised	04/17/2023
Rev____	__/__/____

~~School~~ District Site and Program Carryover Allocation Procedures

A. In the general fund, at the discretion of the superintendent or executive director of ~~business services~~ finance and operations, ~~school~~ district sites and programs are able to carry over ~~any unspent funds from their total allocation. If the school district site or program over-spends its allocation, the deficit will be carried over and taken from next year's allocation unspent~~ unspent site-generated funds and unspent allocated capital funds. Allocated general fund operating budgets will not carry over. If a school site or program over-spends its non-site-generated allocation, the deficit will be taken from the balance of its undesignated site-generated funds, if available.

B. The guidelines and parameters for the carryover ~~of excess/deficit allocations~~ are:

1. The carryover applies only to codes for which administrators receive allocations. It includes only the general fund. It does not include salaries and benefits, special education, and operations and maintenance. Carryover applies to site-generated funds and to capital funds for which administrators receive allocations. Carryover does not apply to allocated general fund operating budgets, including salaries and benefits, special education, and operations and maintenance.

2. Administrators will be informed of the ~~excess/deficit~~ carryover balances after the audit for the prior year has been completed. ~~Similar to the original allocation, the carryover/deficit can only be used for services, supplies, and miscellaneous expenditures.~~

3. Calculation of the carryover will be done on a building or program level ~~in comparison with the total allocation given at budget time~~. The carryover will not be calculated on a line item or code basis, but rather within an allocation area or site-generated funding source.

4. ~~If an organization or program accumulates a fifteen percent (15%) or more savings in one (1) year or has an accumulated savings that totals more than twenty-five percent (25%) of its annual allocation, an explanation as to the intended purpose of the accumulated funds will be required. The explanation should be submitted to the district's business office to be presented to the Bboard's Finance and Facilities Committee, no later than November 1 of the following fiscal year.~~ If allocated, carried-over capital funds may only be used for capital purposes. Carried-over site-generated funds may be used only for the purpose for which they were generated or designated. Undesignated

site-generated funds may be used for any purpose consistent with Appendix I to this policy.

5. ~~Capital budgets will not carry over. Application may be made to the district's business office to be presented to the B~~board~~'s Finance and Facilities Committee for approval to carry over capital funds for special projects.~~ If a school site or program accumulates a site-generated fund balance that exceeds twenty-five percent (25%) of its site-generated revenue for the prior fiscal year, an explanation as to the intended purpose of the accumulated funds will be required. The explanation should be submitted to the executive director of finance and operations to be presented to the Finance & Facilities Committee within 60 days of the school board's acceptance of the annual audit.

Appendix

Adopted	06/20/2011
Revised	04/17/2023
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Instructional Materials and Class Activity Fees

A. The purchase of instructional materials and technology may be requested of a student, as permitted by state law, and pre-approved by the executive director of teaching and learning.

B. The school district will provide copies for use, to be returned, when instructional materials are required for course completion and student purchase is not desired. A student may be permitted by the district to purchase district materials if the student desires.

C. An employee who recognizes a possible financial need for instructional materials and/or class activity fees for a student served by the district will contact their building administrator or school social worker to determine possible next steps in providing assistance.

D. A student is responsible for the cost of replacing any district materials or property lost or damaged by the student.

E. If a student elects a classroom project which exceeds the minimum requirements of the class, the district may charge the student who makes that election the amount of the excess expense. A project will always be available that meets the classroom requirements with no charge to a student.

F. Fees for classroom activities (e.g., field trips) are acceptable student expenditures provided that the class activity is (~~a~~ 1) supplementary to the basic course requirement, and (~~b~~ 2) no student is penalized for choosing not to participate in such activity.

G. Personal or consumable items (e.g., physical education attire, instrument rental fees, notebooks, pencils) are considered routine expenses paid by the student. For financial assistance, students and families should work with the administrator at the site.

H. The district will not require or recommend private tutoring, lessons, or the provision of supplies for a grade or portion thereof, class prerequisite, or any other classroom benefit.

I. Building administrators will review at the conclusion of each school year the student supply list for the following year. This review will ensure the student supply requests are ecologically and financially responsible, containing only items that are consumable by the students.

J. Employees who collect fees on behalf of the district must have the fees pre-approved by the district. Personal checks need to be made out to Edina Public Schools. Collected fees must be submitted to the building office on a daily basis for security purposes.

Appendix

Adopted	09/27/2010
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