

Adopted: _____

~~MSBA/MASA Model~~ Policy 702

Orig. 1995

Revised: February 2026

Rev. 202206

702 ACCOUNTING

[Note: The provisions of this policy reflect the applicable statutes and are not discretionary in nature.]

I. PURPOSE

The purpose of this policy is to adopt the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts ([UFARS](#)) provided for in guidelines adopted by the Minnesota Department of Education.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district to comply with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts.

III. MAINTENANCE OF BOOKS AND ACCOUNTS

The school district shall maintain its books and records and do its accounting in compliance with the Uniform Accounting and Reporting Standards for Minnesota School Districts (UFARS) provided for in the guidelines adopted by the Minnesota Department of Education and in compliance with applicable state laws and rules relating to reporting of revenues and expenditures.

IV. PERMANENT FUND TRANSFERS

Unless otherwise authorized pursuant to ~~Minn. Stat. §~~[Minnesota Statutes section](#) 123B.80, as amended, or any other law, fund transfers shall be made in compliance with UFARS and permanent fund transfers shall only be made in compliance with [Minnesota Statutes section Minn. Stat. §](#)123B.79, as amended, or other applicable statute.

V. REPORTING

The school board shall provide for an annual audit of the books and records of the school district to assure compliance of its records with UFARS. Each year, the school district shall also provide for the publication of the financial information specified in [Minnesota Statutes section Minn. Stat. §](#)123B.10 in the manner specified therein.

Legal References: Minn. Stat. § 123B.02 (~~General Powers of Independent School Districts~~)[School District Powers](#))

Minn. Stat. § 123B.09 (~~Boards of Independent School Districts~~)[School Board Powers](#))

Minn. Stat. § 123B.10 (Publication of Financial Information)

Minn. Stat. § 123B.14, Subd. 7 (~~Officers of Independent School Districts~~)[Duties of School Board Clerk](#))

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)

Cross References: MSBA/MASA Model Policy 703 (Annual Audit)
~~MSBA Service Manual, Chapter 7, Education Funding~~