

Book	Policy Manual
Section	Policies for Keith to approve, 32-1 Technical Corrections
Title	Copy of SYSTEM OF ACCOUNTING
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#### 6800 - **SYSTEM OF ACCOUNTING**

As specified by the Department of Public Instruction, the Board follows the Wisconsin Uniform Financial Accounting Requirements (WUFAR) as a listing of account classifications by which it keeps an accounting of all District funds. The Board has by resolution designated institutions to serve as depositories of all District funds and may, by resolution, designate additional or different institutions. The District's financial records shall show sources of revenue, amounts received, amounts expended, and the disposition of public property. The Chief Finance and Business Services Officer shall complete an accounting of all capital assets to protect the financial investment of the District against catastrophic loss. Further, the Chief Finance and Business Services Officer shall establish procedures and regulations necessary to properly account for capital assets and comply with generally accepted accounting principles (GAAP) and ensure that the District's capital assets are properly insured.

#### **GASB 84**

The District's system of accounting shall comply with all applicable requirements of the Governmental Accounting Standards Board, Statement No. 84 (GASB 84). In accordance with GASB 84, the District will report applicable fiduciary activities as identified in either the private purpose trust fund or the custodial fund. Typically, these activities include recognized student and school-related activity funds held in a bank account maintained by the District. These funds shall be subject to the accounting and requirements specified in the Wisconsin Uniform Financial Accounting Requirements. An activity not identified as a fiduciary activity under GASB 84 will be deemed a governmental activity and will be reported in a governmental fund.

#### **GASB 54**

The District's system of accounting shall comply with all requirements of the Governmental Accounting Standards Board, Statement No. 54 (GASB 54). In accordance with GASB 54, the District will report its fund balances in the following categories:

- A. **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in a spendable form (which includes items that are not expected to be converted to cash – e.g., inventories or prepaid amounts) or (b) legally or contractually required to be maintained intact (e.g., the corpus of an endowment fund).
- B. **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- C. **Committed fund balance** - amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- D. **Assigned fund balance** - amounts the Board *intends* to use for a specific purpose but are neither restricted nor committed; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.

- E. Unassigned fund balance** - amounts that are available for any purpose; these amounts are reported only in the general fund.

The Board authorizes its auditors and directs its administrative staff to take all steps necessary to comply with the requirements of GASB 54. All revenue and funds will be designated to one of the above categories.

### **General Provisions**

The Chief Finance and Business Services Officer shall maintain a proper accounting of all District funds. ~~S/He~~They shall ensure that expenditures are budgeted under and charged against those accounts that most accurately describe the purpose for which such monies are to be or have been spent. Wherever appropriate and practicable, salaries of individual employees, expenditures for single pieces of equipment, and the like shall be prorated under the several accounts that most accurately describe the purposes for which such monies are to be or have been spent.

The Chief Finance and Business Services Officer shall receive all vouchers for payments and disbursements made to and by the Board, and preserve them for the statutorily required period.

The Chief Finance and Business Services Officer shall implement procedures and practices that will determine: (1) Capitalization policies for District assets (i.e., which assets will be capitalized and depreciated over their estimated useful life versus which assets will be expensed in year of purchase); (2) Methods for calculating annual and accumulated depreciation expense for assets including estimates for asset lives, residual asset values, and depreciation methodology; and (3) Procedures for recording gain or loss on sale of capital assets and proceeds from the sale of capital assets in compliance with GAAP Reporting of estimated cash values or replacement values to District insurance providers.

The Chief Finance and Business Services Officer shall report to the Board on a monthly basis (or more often if required) the revenues and expenditures in the fund reporting categories established above. The Chief Finance and Business Services Officer's statement shall show revenues and receipts from whatever source derived, the various appropriations made by the Board, the expenditures and disbursements therefrom, the purposes thereof, the balances remaining in each appropriation, and the District's assets and liabilities. At the end of the fiscal year such statement shall be a complete exhibit of the District's financial affairs and may be published and distributed with approval of the Board.

The Chief Finance and Business Services Officer is responsible for filing in a timely manner, on behalf of the Board, an annual report with the Department of Public Instruction, on prescribed forms, that states the following:

- A. amount of collections and receipts, and accounts due from each source;
- B. amount of expenditures for each purpose;
- C. amount of the District's debt, the purpose for which each item of such debt was created, and the provision made for the payment thereof; and
- D. other information as required by the Department, along with the audit report as approved by the Board.

The Board's annual financial statements shall also include information such as: 1) beginning and ending balances of capital assets; 2) beginning and ending balances of accumulated depreciation; and 3) total depreciation expense for the fiscal year.

Such reporting shall include description of significant capital asset activity during the fiscal year including: acquisitions through purchase or donation, sales or dispositions including the proceeds and gains or losses on the sale, changes in methods of calculating depreciation expense or accumulated depreciation, such as, estimates of useful life, residual values, depreciation methodology (e.g., straight-line or other method).

Before implementing procedures or changing procedures, the Chief Finance and Business Services Officer will review the proposed procedure with the auditor appointed by the Board to conduct the Board's financial audit. The procedures established shall comply with all statutorily required standards and generally accepted accounting procedures.

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Legal                    115.28(13), Wis. Stats.  
                              115.30(1), Wis. Stats.  
                              GASB #34  
                              GASB #54  
                              GASB #84