

3545.0900 FUND ACCOUNTING.

Subpart 1. **Definition.** A fund is an independent accounting entity having its own assets, liabilities, obligations, revenues, expenditures, reserves, and equity balances. Funds must be established for the purpose of accounting for those specific resources provided for the attainment of particular public objectives, as designated by statute or rule.

Subp. 2. **Funds maintained.** The following funds must be maintained:

- A. general fund;
- B. food service fund;
- C. community education fund;
- D. building construction fund;
- E. debt redemption fund;
- F. trust fund;
- G. agency fund; and
- H. enterprise fund.

Subp. 3. **Operating and nonoperating funds.** The general fund, food service fund, community education fund, and enterprise fund must collectively be known as the operating funds. The other funds collectively must be known as the nonoperating funds.

Subp. 4. [Repealed, 26 SR 1718]

Subp. 5. **Account groups.** An account group is a self-balancing group of accounts. Account groups represent a district's general fixed assets and long-term indebtedness that are not segregated for carrying on specific activities. A general fixed asset group of accounts and a general long-term debt group must be maintained.

Subp. 6. **Fund accounting.** Revenues and expenditures must be recorded in the appropriate funds.

Subp. 7. **Fund transfers.** General fund assets may be used for any general or special operating purpose of a district and may be transferred permanently by school board action to any other operating fund where the resources of that other fund are not adequate to finance approved expenditures from such fund or to eliminate a negative undesignated fund balance in a building construction fund being discontinued.

The portion of the general fund undesignated fund balance permanently transferred to eliminate a negative building construction fund undesignated fund balance must be reduced by the capital expenditure fund year-end undesignated fund balance.

Subp. 8. **Special fund uses and transfer limitations.** All funds other than the general fund are special purpose funds in which expenditures may only be made for the special

purposes of the fund. Transfers of money from special purpose funds to other funds are not permitted unless authorized by law. Transfers may be made from any fund to another fund to pay for expenditures legitimately chargeable to one fund but expended from another. Such items are most appropriately accounted for on a current basis, as interfund transactions, increasing the expenditures of one fund and reducing those of another. Transfers may be made from the operating capital reserve of the general fund to pay for expenditures from other funds for capital expenditure purposes.

Statutory Authority: *MS s 14.388; 121.902*

History: *L 1987 c 398 art 7 s 42; 26 SR 1718*

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