

Chinook School District

FINANCIAL MANAGEMENT

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Fund Accounting System

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The accounts of the District are maintained on the modified accrual basis of accounting. The following funds are maintained by the District:

General Funds (Elementary and High School) - to account for all revenues and expenditures related to administration, instruction, and other activities not included in any other funds.

Transportation Funds (Elementary and High School) - to account for the revenues and expenditures for the District's pupil transportation program.

School Food Services Fund (Elementary and High School) - to account for that portion of the school food services program which is self-supporting, including State and Federal reimbursements.

Tuition Fund (Elementary and High School) - to account for tuition payments for elementary or high school pupils who are residents of the District but attend school outside the District.

Retirement Fund (Elementary and High School) - to account for the employer's contribution to the Teacher's Retirement System, the Public Employee's Retirement System, Unemployment Compensation, and Social Security.

Miscellaneous Programs Funds (Elementary and High School) - to account for State and Federal grants and reimbursement funds received by the District.

Traffic Education Fund (High School) - to account for revenues and expenditures for approved driver education programs.

Lease Rental Agreement Funds (Elementary and High School) - to account for the rental and lease payments received from District-owned property and the expenditure of that money for the maintenance of that property.

Sick Leave Reserve (Elementary and High School) - to account for moneys transferred from the General Fund for the purpose of paying accumulated sick leave and vacation that a nonteaching employee is entitled to upon termination.

Federal Entitlement Funds (Elementary and High School) - to account for Federal Block grant money received by the District.

Debt Service Funds (Elementary and High School) - to account for principal and interest payments on outstanding bonds, along with special assessments and the revenues derived for this purpose from a property tax levy.

Building Fund (Elementary and High School) - to account for building construction and the bond proceeds received for that purpose, and/or to account for interest earnings, insurance settlements, proceeds from the sale of property, and other miscellaneous revenues.

Building Reserve Fund (Elementary and High School) - to account for revenues and expenditures for voter approved improvements, remodeling, or construction of District facilities.

Bus Depreciation Fund (High School) – to convert, remodel, or rebuild a bus or to purchase a replacement bus or radio.

Adult Education Fund (High School) - to be used for the accounting of all district money received and expended by the district in support of the adult education program.

Student Activity Fund - to account for various student activities, such as athletics, clubs, classes, student government organizations, student publications, and other activities. Separate fund accounts within the Extracurricular Fund are maintained to account for these various activities. Such a fund is established under the authority of § 20-9-504, MCA. Unlike other District funds, the money for these activities is maintained in bank accounts outside the control of the County Treasurer. The Fund is administered by District administrators and faculty members and the student organizations, operating under guidelines and policies established by the Board of Trustees and the Department of Commerce.

Technology Acquisition and Depreciation Fund (Elementary and High School) – to account for school district expenditures incurred and depreciation accrued for the purchase, rental, repair, maintenance, and depreciation of technological equipment, including computers and computer network access, and associated technical training for school district personnel.

Claims Fund (Elementary and High School) - to account for receipts from other operating funds for their portions of operating expenditures other than payroll and the disbursements to the various payees.

Payroll Fund (Elementary and High School) - to account for receipts from operating funds for their portions of payroll costs and the payroll disbursements to employees and to State and Federal agencies.

Under State statutes, the General, Transportation, Tuition, Retirement, Debt Service, and Building Reserve Funds are considered budgeted funds, which mean a budget must be adopted in

order to spend any money from the funds. The School Food Services, Miscellaneous Programs, Building, Lease Rental, Traffic Education, Sick Leave Reserve, Block Grant, and Endowment Funds are nonbudgeted funds. The Extracurricular, Claims, Payroll, and Retiree Funds are also treated as nonbudgeted funds.

Legal Reference: § 20-9-201, MCA Definitions and application

Policy History:

Adopted: February, 1999

Revised: June, 2007