

	<p>SYSTEM OF FUNDS AND ACCOUNTS</p>	<p>Policy No. 6020</p> <p>July 10, 2019</p> <p>Page 1 of 4</p>
---	---	--

It is the policy of the Seattle School Board that the district will maintain a system of funds with the county treasurer in accordance with state law and the accounting manual approved by the State Superintendent of Public Instruction. The principal funds are:

### **General Fund**

The General Fund (GF) is financed primarily from local taxes, state support funds, federal grants, and local receipts. These revenues are used specifically for financing the ordinary and legally authorized operations of the district for all grades. The GF includes money that has been segregated for the purpose of carrying on specific activities, including, but not limited to, the basic and special education programs. The GF is managed in accordance with special regulations, restrictions, and limitations. The GF constitutes an independent fiscal and accounting entity.

As a part of its GF, the district has a local revenue subfund to account for the district's operations that are paid for with local revenues.

The following local revenues will be recognized in the district's local revenue subfund:

- Enrichment levies collected under RCW 82.52.053;
- Local assistance funding received under chapter RCW 28A.500 RCW; and
- Other local revenues including, but not limited to, grants, donations, and state and federal payment in lieu of taxes, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

The district will track expenditures from the subfund to account for the expenditures based on each of the streams of revenue described above.

### **Capital Projects Fund**

The Capital Projects Fund (CPF) contains:

- Proceeds from the sale of voted bonds (unlimited tax general obligation bonds) and non-voted bonds (limited general obligation bonds);
- State of Washington financing assistance (state matching money);
- Transfers from the district's basic education allotment;
- The proceeds of special levies earmarked for building purposes;

- Earnings from capital projects fund investments, growth management impact fees, state environmental protection act mitigation payments; and
- Rental or lease proceeds and proceeds from the sale of property.

Money deposited into the CPF may be used for the following purposes:

- Funding outstanding indebtedness or bonds already issued;
- Purchasing sites for buildings, playgrounds, physical education, and athletic facilities;
- Erecting buildings and furnishing those buildings with the necessary furniture, apparatuses, and equipment;
- Improving the energy efficiency of the district's buildings and/or installing systems and components to utilize renewable and/or inexhaustible energy resources; and
- Making major or minor structural changes and structural additions to buildings, structures, facilities, and sites;
- Making major renovations to and replacing facilities and systems where periodical repairs are no longer economical or to extend the useful life of the facility or system beyond its original planned useful life including, but not limited to, replacing or refurbishing roofs, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public common areas, and electrical and plumbing systems;
- Renovating and rehabilitating playfields, athletic fields, and other district real property;
- Conducting preliminary energy audits and energy audits of district buildings and making energy capital improvements that are identified as being cost-effective in the audits;
- Purchasing or installing additional major items of equipment and furniture;
- Paying the costs associated with implementing technology systems, facilities, and projects—including acquiring hardware licenses, licensing software, and online applications—and paying the costs associated with training related to the installation of such systems, facilities, and projects;
- Paying the costs associated with the application and modernization of technology systems for operations and instruction—including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services—and paying for ongoing training related to the installation and integration of such products and services (to the extent funds are used for this purpose, the district will transfer the portion of the capital project funds used to the district's GF); and
- Repairing major equipment, painting facilities, and performing other preventative maintenance (to the extent funds are used for this purpose, the district will transfer the portion of the capital project funds used to the district's GF).

Investment earnings derived from other sources in the CPF should be retained in the CPF and used for statutorily authorized purposes. The district may transfer investment earnings in the CPF that have not been derived from voted bond proceeds to a different fund if the earnings are used only for instructional supplies, equipment, or capital outlay purposes. The superintendent should consult the

Board and appropriate district staff prior to altering the use of voted bond proceeds and transferring investment earnings out of the CPF.

### **Debt Service Fund**

The money in the Debt Service Fund (DSF) is used to pay for the principal of and interest on outstanding voted and non-voted bonds. Disbursements are made by the county treasurer. Provision will be made annually for the making of a levy sufficient to meet the annual payments of principal and semiannual payments of interest. The district may transfer surplus investment earnings from the DSF to any other school district fund as long as such earnings are spent only for instructional supplies, equipment, or capital outlay purposes.

Non-voted bonds are required to be repaid from the school district's DSF, rather than the fund that actually received the non-voted bond proceeds. As a result, to pay the principal of and interest on the non-voted bond, an operating transfer must be used from the CPF (or other fund) to the DSF.

Prior to the issuance of a non-voted bond, the superintendent or a designee will review the repayment process with the Board and the county treasurer. The proceeds from the sale of real property may be placed in the DSF or CPF, except for the amount required to be expended for the costs associated with the sale of such property.

### **Associated Student Body Fund**

The Board is responsible for the protection and control of student body financials resources just as it is for other public funds placed in its custody. The financial resources of the Associated Student Body Program Fund (ASB) are for the benefit of students. Student involvement in the decision-making processes related to the use of this money is an integral part of the associated student body, except that the Board may delegate the authority to a staff member to act as the associated student body for any school that does not contain a grade higher than grade six.

Money in the ASB fund is public money and may not be used to support or oppose any political candidate or ballot measure. Money raised by students through recognized student body organizations will be deposited in and disbursed from the fund maintained by the county treasurer. The ASB Fund is subject to management and accounting procedures that are similar to those required for all other district moneys. ASB constitutions will provide for participation by ASB representatives in the decisions to budget for and disburse ASB Fund money. Private non-associated student body fund moneys raised for scholarships, student exchanges, and charitable purposes will be held in trust by the district.

### **Bank Accounts**

The district will maintain a system of bank accounts as follows:

- A district depository and/or transmittal bank account;

- District contingent accounts as authorized under Policy 6211.

Adopted: February 2012

Revised: July 2019

Cross Reference: Policy Nos. 3510, 6100, 6211

Related Superintendent Procedure:

Previous Policies: G07.00; G20.00

Legal References: WAC 392-123-046 Definitions—General Fund, Capital Projects Fund, Debt Service Fund, Associated Student Body Fund, Advanced Refunding and Refunded Bond Funds, Transportation Vehicle Fund and insurance reserves; RCW 28A.320.320 Investment of funds of district – Service fee; RCW 28A.320.330 School funds enumerated—Local revenue subfunds—Deposits—Uses; RCW 84.52.053 Levies by school districts authorized—When—Procedures; RCW 84.52.056 Excess levies for capital purposes authorized; WAC 392-123-010; The accounting manual