

SYSTEM OF FUNDS AND ACCOUNTS

The Bainbridge Island School 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 funds are:

General Fund (GF): The general fund 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 fund includes money which 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, and 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 deposited in the district's local revenue subfund:

- Enrichment levies and transportation levies collected under RCW 82.52.053;
- Local assistance funding received under chapter RCW 28A.500 RCW; and
- Other local revenues such as, 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 (CPF): The capital projects fund contains the proceeds from the sale of 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, rental or lease proceeds, collection of growth mitigation or impact fees and proceeds from the sale of property.

The district may use proceeds from the sale of voted bonds, including the interest earnings thereof, for capital purposes including, but not limited to, 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.
- Expenditures associated with project management.

All other money deposited into the CPF may be used for the following purposes:

- 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).

After holding a public hearing, the board may determine by resolution to use any money from the sale of voted bonds and investment earnings thereon remaining after the authorized capital improvements have been completed to acquire, construct, install, equip and make other capital improvements to the district's facilities or to retire and/or defease a portion of voted bonds.

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 (DSF): The Debt Service Fund is for the payment of principal and interest on voted and non-voted bonds. Disbursements are made by the county treasurer by means of treasurer's checks. 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; provided that, such investment earnings are spent only for instructional supplies, equipment or capital outlay purposes. The district may transfer such investment earnings to other school district funds unless the resolution authorizing the voted bonds requires investment earnings to remain in the DSF to secure payment of voted bonds, thereby reducing future tax collections and the corresponding tax levy rate. The superintendent will consult with the board and appropriate staff prior to transferring interest earnings out of the DSF.

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 principal and interest on the non-voted bond, an operating transfer must be used from the CPF (or other fund) to the DSF. The school district should create a separate account within the DSF to repay the non-voted bond. The district should internally segregate the money pledged to repay the non-voted bond from any excess property taxes deposited in the DSF for the repayment of voted bonds. Prior to the issuance of a non-voted bond, the superintendent or 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 in the CPF, except for the amount required to be expended for the costs associated with the sale of such property.

Associated Student Body Program Fund (ASB Fund): The board is responsible for the protection and control of student body financial resources just as it is for other public funds placed in its custody. The financial resources of the Associated Student Body Program Fund (ASB Fund) are for the benefit of students.

Student involvement in the decision-making processes related to the use of these funds 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 which

contains no 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 which is maintained by the county treasurer. The ASB Fund is subject to management and accounting procedures which 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 moneys. Private non-associated student body fund moneys raised for scholarships, student exchanges and charitable purposes will be held in trust by the district.

Transportation Vehicle Fund (TVF): The transportation vehicle fund includes the proceeds from the sale of transportation vehicles; lease, rental, or occasional use of surplus buses; depreciation reimbursement for district-owned buses; proceeds of TVF levies; optional transfers from the GF; and investment funds coming from the TVF. The TVF may be used to purchase school buses or to pay for major repairs to school buses. Money may be transferred from the TVF to the DSF exclusively for the payment of principal and interest associated with purchase agreements for school buses, including lease purchase agreements.

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

A district depository and/or transmittal bank account;

An associated student body imprest bank account for each school having an associated student body organization approved by the board; and

Petty cash accounts in such numbers as are necessary to meet the petty cash needs of the schools and divisions of the district.

The board may authorize the establishment of such accounts. Each petty cash account will be approved by the board. A custodian will be appointed for these accounts who will be independent of invoice processing, check signing, general accounting and cash receipts functions. If this separation of functions is not feasible, another employee who is independent of those functions will be responsible for reviewing the management of each account.

Cross Reference: Board Policy 6100 Revenues from Local, State and Federal Sources
 Board Policy 6030 Financial Reports
 Board Policy 3510 Associated Student Bodies

Adopted: December 9, 1999
Revised: June 9, 2010
Revised: March 29, 2018
Revised: September 26, 2019

Bainbridge Island School District

Legal References:

	WAC	392-142-260	Allowable use of the Transportation Vehicle Fund
		392-142-255	Deposit of payments in the Transportation Vehicle Fund
RCW	28A.160.130		Transportation Motor Vehicle Fund-Deposits In Use-Rules for establishment and use
	28A.245.100		Minor repair and maintenance capital projects
	28A.320.320		Investment of funds of district-Service fee
	28A.320.330		School funds enumerated— Deposits — Uses
	28A.325.010		Fees for optional noncredit extracurricular events -Disposition
	28A.325.020		Associated student bodies—Powers and responsibilities affecting
	28A.325.030		Associated student body program fund— Fundraising activities – Nonassociated student body program fund moneys
	28A.335.060		Surplus school property – Rental, lease or use of- disposition of moneys received from
	28A.505.140		Rules and regulations for budgetary procedures Review by superintendent - Separate accounting of state and local revenues – Notice of irregularity Budget revisions
	28A.530.010		Directors may borrow money, issue bonds
	28A.530.020		Bond issuance – Election – Resolution to specify purposes
	28A.530.080		Additional authority to contract indebtedness Notice
	42.17A.555		Use of public office or agency facilities in campaigns – Prohibition -- Exceptions
	43.09.200		Local Government Accounting—Uniform system of accounting
	43.09.210		Local Government Accounting—Separate accounts for each fund or activity – Exemptions
	84.52.053		Levies by school districts authorized – When Procedure
	84.52.056		Excess levies for capital purposes authorized
WAC	392-123		Finance—School District Budgeting
	392-138		Finance—ASB Moneys

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