Funds

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. Below is a description of the district's system of funds.

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 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
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.

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;
- Making major or minor structural changes and structural additions to buildings, structures, facilities, and sites necessary or proper to carry out the functions of the district; and
- Paying for an installment purchase contract for school plant facilities or a financing lease, the term of which is ten years or longer and that contains an option by the district to purchase the leased property for nominal consideration, but only to the extent such payment constitutes a capital expenditure.

All other money deposited into the CPF may be used for the purposes described above and 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 extend 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 or designee 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 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 district fund as long as such earnings are spent only for instructional supplies, equipment, or capital outlay purposes. The district may transfer such investment earnings to other 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 or designee should 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 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. The 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 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 Program 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 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.

Transportation Vehicle Fund

The transportation vehicle fund (TVF) 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; to pay for major repairs to school buses; to complete a feasibility plan to transition from gas or diesel school buses to electric or zero emission school buses; to purchase, install, and repair electric school bus charging stations and other zero emission school bus fueling stations and for other costs necessary for station installation; and to convert or repower existing gas or diesel school buses to electric or zero emission school buses. Money may be transferred from the TVF to the DSF exclusively for the payment of debt and interest associated with purchase agreements for school buses, including lease purchase agreements.

Skill Center Minor Repair and Maintenance Capital Account

A host district of a cooperative skill center must maintain a separate minor repair and maintenance capital account for facilities constructed or renovated with state funding. Participating districts must make annual deposits into the account to pay for future minor repair and maintenance costs of those facilities. The host district has authority to collect those deposits by charging participating districts an annual per-pupil facility fee.

Bank Accounts

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.

Legal References

WAC 392-142-260 Allowable use of the transportation vehicle fund

WAC 392-142-255 Deposit of payments in the transportation vehicle fund

RCW 28A.245.100 Minor repair and maintenance capital accounts

RCW 28A.160.130 Transportation vehicle fund□□□Deposits in□□□Use□□□Rules for establishment and use

RCW28A.320.320Investment of funds of district□□□Service fee

RCW 28A.320.330School funds enumerated □□□ Deposits □□□ Uses

RCW 28A.325.010Fees for optional noncredit extracurricular events □□□ Disposition

RCW 28A.325.020Associated student bodies □□□ Powers and responsibilities affecting

RCW 28A.325.030Associated student body program fund □□□ Fund □□□ raising activities □□□ Nonassociated student body program fund moneys

RCW 28A.335.060Surplus school property □□□ Rental, lease or use of □□□ disposition of moneys received from

RCW 28A.505.140Rules for budgetary procedures□□□Review by superintendent□□□ Separate accounting of state and local revenues□□□Notice of irregularity□□□Budget revisions

RCW 28A.530.010Directors may borrow money, issue bonds

RCW 28A.530.020Bond issuance □□□ Election □□□ Resolution to specify purposes

RCW 28A.530.080Additional authority to contract indebtedness--Notice

RCW 42.17A.555Use of public office or agency facilities in campaigns □□□ Prohibition □□□ Exceptions

RCW 43.09.200 Local Government Accounting □□□ Uniform system of accounting

RCW 43.09.210Local Government Accounting Separate accounts for each fund or activity □□□ Exemptions

RCW 84.52.053Levies by school districts authorized □□□ When □□□ Procedure

RCW 84.52.056Excess levies for capital purposes authorized

Chapter 392-123 WAC Finance □□□ School District Budgeting

Chapter 392-138 WACFinance □□□ ASB Moneys

State Auditor Bulletin #301, III(E), Petty Cash, (PT 3, Ch 3, Pg 8)

Cross References

6030 - Financial Reports

3510 - Associated Student Bodies

6100 - Revenues From Local, State and Federal Sources

Management Resources

2019 - March 2019 - March Policy Issue

2017 - July Issue

Updates Chart: Board approved updated policy July 2024

Additions Chart:

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The following guidelines will be used in managing bank accounts:

A. The amount of the imprest fund of a school will be based on the highest amount of funds expended in one month. The amount will be approved by the board of directors.

B. The board of directors will appoint a staff member to serve as custodian of the fund. A surety bond will be secured in the amount of the fund.

C. Use of imprest funds and/or petty cash will be restricted to those obligations which cannot be handled by voucher.

D. Imprest funds and/or petty cash may not be used to circumvent any laws related to purchasing.

E. All receipts which are submitted for reimbursement will be dated and signed by the submitter.

F. Imprest accounts will be replenished at least monthly by warrant payable to the custodian. The replenishment must be made by voucher with appropriate receipts attached.

G. Whenever an individual's appointment as custodian is terminated the imprest fund must be replenished and turned over to the fiscal officer.

H. Local audits of each imprest account by someone other than the custodian of the account will be made on a surprise and unscheduled basis at least twice per year.

Management of District Bank Accounts

Moneys received for Catalyst Public Schools will be handled as follows:

A. Receipts will be given for all moneys;

B. All moneys received by Catalyst Public Schools, except those received by Liberty Bay Bank on behalf of Catalyst Public Schools, will be deposited in Catalyst Public Schools's transmittal account. Provisions will be made for individual buildings to have access to night depository. In no cases will money remain in a building for more than 24 hours;

C. Receipts from special events will be deposited intact;

D. All moneys in the transmittal account will be transmitted to Liberty Bay Bank no later than the first of each month. Such transmittals will be accompanied by a report indicating the sums to be credited to each of Catalyst Public Schools's funds;

E. An accurate record will be kept of all expenditures from each imprest account. Reimbursement to the maximum permitted will be made to each imprest account by voucher each month; and

F. Local audits of each imprest account will be made on a surprise and unscheduled basis at least twice per year. In addition, whenever there is a change of administrator, the imprest accounts which he/she administered will be audited by Catalyst Public Schools.

Updates Chart: Board approved updated policy July 2024

Additions Chart:

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