USD Budget: Fund Summaries

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1. **GENERAL FUND –** Money for the General Fund is primarily local property tax and equalized state aid. Any cash balance carried forward reduces the succeeding year's state aid. Expenditures from the general fund are limited by state law and may be transferred to numerous program and weighted funds such as four-year-old at-risk, K-12 at-risk, bilingual education, driver education, food service, parents as teachers, special education, vocational education, professional development, etc.

2. **FEDERAL FUNDS –** These are primarily Title programs for specific, targeted purposes. Cash balance will be very small and consists of money that will be spent in the immediate future.

3. **SUPPLEMENTAL GENERAL FUND –** Also known as the Local Option Budget (LOB), this is additional budget authority for operating expenses, similar to the general fund. Boards of education may adopt up to 30% of the general fund, or 31% with an affirmative vote of the patrons of the district. Funding is from local property taxes and equalized state aid. Any cash balance carried over reduces the succeeding year's property tax.

4. **ADULT EDUCATION FUND –** This money is primarily from a mill levy that is used for adult basic education programs (GED).

5. **FOUR-YEAR-OLD AT-RISK FUND –** Money is transferred to this fund from the general fund. Carryover funds will help support the succeeding year's budget.

6. **ADULT SUPPLEMENTAL FUND –** This fund consists primarily of fees collected for non-credit classes.

7. **K-12 AT-RISK FUND –** At-risk funding is based on the number of students qualifying for free meals and those who scored non-proficient on the state reading or mathematics assessment. The funds will be deposited in the general fund and transferred to the K-12 at-risk fund.

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8. **BILINGUAL EDUCATION FUND –** Revenue in this fund is transferred from the school district's general fund. The general fund receives money from the state as a result of the weighting of bilingual students.

9. **VIRTUAL EDUCATION FUND –** These funds, based on the number of students enrolled in a virtual program, are transferred from the general fund to fund virtual education.

10. **CAPITAL OUTLAY FUND –** Local boards may levy up to 8 mills, subject to protest petition, for capital outlay funding. The money must be spent for capital outlay items as identified in state statutes. Revenue in this fund cannot be spent for operating expenses. Many school districts will try to build cash in this fund for special projects, or emergency facility needs.

11. **DRIVER TRAINING FUND –** Revenue in this fund is received from student fees, state driver education state aid, and transfers from the general fund. Carryover funds help fund the succeeding year's budget.

12. **EXTRAORDINARY SCHOOL FUND –** This fund is used for before and after school programs. Revenue is received from fees and general fund transfers. The cash balance in this fund is normally very small.

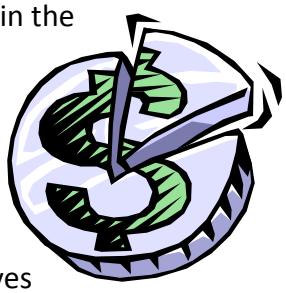
13. **FOOD SERVICE –** This fund receives revenue from the federal government (approximately 70 percent), a small amount from the state, and student fees. Federal guidelines provide that this fund should not exceed a three-month operating balance unless there are special circumstances.

14. **PROFESSIONAL DEVELOPMENT –** State aid for professional development has been eliminated. Therefore, school districts transfer money into this fund from the general fund to finance professional development activities.

15. **PARENTS EDUCATION FUND –** All expenditures for parent education programs are paid from this fund. Revenue in this fund is state aid and transfers from the general fund.

16. **SUMMER SCHOOL FUND –** Revenue in this fund consists of fees and general fund transfers. The cash balance in this fund is normally very small.

17. **SPECIAL EDUCATION FUND –** State aid for special education is deposited in the general fund and transferred to the special education fund. The state does not provide any money for special education until at least October 15 each year. Therefore, districts need a reasonable balance in this fund to operate for the first 3.5 months of the fiscal year.



18. **VOCATIONAL EDUCATION FUND –** Revenue in this fund consists of federal Carl Perkins money and general fund transfers. The general fund receives money from the state as a result of the weighting for students enrolled in approved vocational programs. The cash balance in this fund is normally very small.

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19. **GIFTS & GRANTS FUND –** This fund consists of gifts to the school district such as scholarships and individual gifts for a specific purpose. This fund may also include some private grants.

20. **SPECIAL LIABILITY FUND –** This money consists of a mill levy authorized for special liabilities such as attorney fees, judgments, etc.

21. **SPECIAL REVENUE FUND –** Used by few school districts, this is primarily a reserve fund for health care, uninsured losses, and workman's compensation.

22. **CONTINGENCY RESERVE FUND –** This fund allows school districts to maintain a reserve for unexpected expenditures. By law school districts may maintain an amount equal to 10% of the general fund in the contingency reserve fund.

23. **TEXTBOOK & STUDENT MATERIAL REVOLVING FUND –** This fund consists primarily of fees for the purchase of textbooks and general fund transfers.

24. **TUITION REIMBURSEMENT FUND –** This is a holding fund for school districts with state contracts for special education services. The cash balance in this fund is normally very small.

25. **BOND & INTEREST FUND –** Revenue in this fund is generated by a mill levy and is available for the payment of principal and interest on bonds.

26. **SPECIAL EDUCATION COOPERATIVE FUND –** Revenue in this fund is for school districts that sponsor a special education cooperative.

NOTE: The following funds receive revenue from the general and supplemental general funds: four-year-old at-risk, K-12 at-risk, bilingual, vocational, special education, food service, driver's education, professional development, and parents as teachers. If the fund has a cash balance to begin the year, the transfer from the general fund can be reduced by that amount and transferred to another fund.