

District Funding Categories

General Fund dollars cannot take money from the other categories and is highly regulated by State statutes



General Fund

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere.

The General Fund is used to account for educational activities, district instructional and student support programs, expenditures for the superintendent, district and school administration, operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund.

A district may use General Fund balances for capital purposes except when the requirements for a specific categorical revenue state that it may not be used for capital purchases.



Food Service Fund

The Food Service Fund is used to record financial activities for the purpose of preparation and service of milk, meals, and snacks in connection with school and community service activities.

- **100 percent fee-based program**



Community Service Fund

The Community Service Fund is used to record all financial activities of the Community Service program. The Community Service Fund is comprised of five components, each with its own fund balance. The five components are:

1. Community Service
2. Community Education
3. Early Childhood Family Education (ECFE)
4. School Readiness
5. Adult Basic Education (ABE)

- **The District's Community Education program is 70 percent fee-based**



Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds, capital loans, or the Alternative Facilities Bonding Program (including Alternative Facility Levies).



Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds.

When a bond issue is sold, the school board must levy a direct general tax upon the property of the district for the payment of principal and interest on such bonds as due. The revenue from such a tax and related state aid must be separately accounted for in the Debt Service Fund, Minn. Stat. § 475.61.



Trust Fund

The Trust Fund is used to record the revenues and expenditures for trust agreements where the school board has accepted the responsibility to serve as trustee. The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year or the local parent group may establish a trust to purchase computer equipment.