

DIB REVOLVING FUND ACCOUNTS

Definition

Revolving Fund Accounts are accounts established for specific purposes as allowed by statute. Generally the revenue generated for these funds is derived from fees charged for a non-mandated service or activity.

Management

Minuteman Regional High School manages revolving funds consistent with the purpose of each fund, and revenues and expenditures are applied to the funds. All revenue received and expenditures from these funds must be specifically related to the purpose for which the fund was established. Any money left in the fund at the end of the year carries forward into the next year, and the fund remains open until the revenue generating activity ceases to exist, or is closed out to the undesignated fund balance, based on the accounting requirements of the enabling legislation of each revolving fund.

All revolving funds are required to end the fiscal year in a positive fund balance position. To the extent that a revolving fund at fiscal year-end has a deficit fund balance, said deficit amount will reduce the undesignated fund balance. The amount of the deficit will be applied as a reduction to the Excess and Deficiency fund balance as of the date of the annual certification of the Excess and Deficiency account by MA Department of Revenue.

School Committee Approval

While the budgets for these funds are not subject to the annual adoption/approval process required by general fund budgets, a summary of the revolving fund budget by fund will be presented to the School Committee prior to the beginning of each fiscal year, and acceptance of the revolving fund budget will require a majority vote of the School Committee. It is the responsibility of the School Committee, or an appointed subcommittee, to require a review of the Revolving Funds periodically.

District Revolving Funds

Revolving Funds utilized by the District are listed below, with the statutory reference for each fund:

School Lunch – The activities of this fund relate to operation of the school lunch program. Revenue is generated from sales of lunch and other meals, and school lunch grant funds. The fund balance at the end of the fiscal year is carried forward to the next fiscal year. A separate

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REVISION: DRAFT 6/3/14 FINANCE SUBCOMMITTEE; SUBMITTED TO POLICY TASK FORCE

FIRST READING: 10/14/14

SECOND READING: 11/18/14

ADOPTION:

REVIEW:

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bank account must be maintained for this revolving fund. (MGL Ch. 548 of the Acts of 1948)

School Rental Fund – This fund contains receipts collected for the rental of school-owned facilities and space, including, but not limited to, such spaces as: the Mill St. properties, the Energy House, and the Day Care Center. Expenditures from the fund are permitted for the upkeep of the facilities, including custodial costs, utilities, and ordinary repairs and maintenance. A cost allocation methodology for utility and other indirect costs can be used to charge a portion of these costs to this fund, subject to the approval of said allocation by the School Committee. At the end of the fiscal year, the remaining balance in excess of those funds required for the upkeep of the facilities shall be paid into the excess and deficiency fund as unencumbered funds. (MGL Ch. 71, Sec. 16(r))

Use of School Property – The school district is authorized to permit use of the facility, and user fees and charges may be collected for such rentals within this revolving fund. The proceeds of these fees can be used for the upkeep of the facility, including custodial costs, utilities, ordinary repairs and maintenance. The fund balance at the end of the fiscal year is carried forward to the next fiscal year. (MGL Ch. 71, Sec. 71E)

Vocational Education Program Receipts – This account represents individual revolving funds to support the vocational/technical programs provided to the public by sales of program products and services. The fund balance at the end of the fiscal year is carried forward to the next fiscal year. (MGL Ch. 74, Sec. 14B)

Adult Education and Continuing Education – This fund is used to support the Community Education and Post Graduate programs, including Summer School and Youth Programs. All fees for enrollment and program fees are deposited to this fund, and the fund balance at the end of the year carries forward into the next fiscal year. (MGL Ch. 71, Sec. 71E)

Non-Resident Student Tuition – This account relates to the non-resident tuition set by the Commissioner of the Department of Elementary and Secondary Education, and approved by the School Committee that is charged for each non-resident student attending the school district. Said funds can be used for educational expenditures and instructional equipment. The fund balance at the end of the fiscal year is carried forward to the next fiscal year. (MGL Ch. 71, Sec. 71F)*

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*If DESE approves a capital fee, the Superintendent recommends that an account be established in accordance with MGL to dedicate these “tuition” revenues toward debt associated with capital projects.

LEGAL REFS: As noted

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