

# **The Other Funds: Funds Other than 10 and 27**

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WISCONSIN DEPARTMENT OF  
**Public Instruction**  
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# GASB Fund Accounting

## General Fund 10

<u>Balance Sheet</u>	<u>Change in Fund Balance</u>
+ Assets	+ Revenues
Cash	Taxes
Receivables	State Aids
- Liabilities	- Expenditures
Debt	Payroll
Payables	Operations
= Fund Balance	= Net Change FB

## Food Service Fund 50

<u>Balance Sheet</u>	<u>Change in Fund Balance</u>
+ Assets	+ Revenues
Cash	Taxes
Receivables	State Aids
- Liabilities	- Expenditures
Debt	Payroll
Payables	Operations
= Fund Balance	= Net Change FB

## Comm. Svc. Fund 80

<u>Balance Sheet</u>	<u>Change in Fund Balance</u>
+ Assets	+ Revenues
Cash	Taxes
Receivables	State Aids
- Liabilities	- Expenditures
Debt	Payroll
Payables	Operations
= Fund Balance	= Net Change FB

# What is a Fund?

- Independent fiscal and accounting entity
- Requiring its own set of books
- In accordance with special regulations, restrictions, and limitations that earmark each fund for a specific activity or for attaining certain objectives
- A general description of WUFAR Funds can be found on pages 5-1 to 5-5 in [WUFAR Revision 2022-23](#).

# WUFAR Fund Definitions

- **Instructional Funds:** Elementary and secondary instruction (i.e. K - 12) activities
- **Debt Service Funds:** Transactions related to repayment of general obligation debt
- **Capital Projects Funds:** Accounts for capital project expenditures financed through general obligation debt or other fund specific sources.
- **Food and Community Service Funds:** Accounts for food and community service activities.
- **Custodial Fund:** Accounts for custodial activity, which is primarily related to pupil organizations, parent organizations, and certain scholarships pursuant to GASB 84.
- **Trust Funds:** Accounts for assets held by the district in a trustee capacity for individuals, private organizations, other governments and/or other funds.

# WUFAR Fund Definitions

- ***Instructional Funds:*** 10, 21, 23, 27, 29, 91, 93, and 99
- ***Debt Service Funds:*** 38 and 39
- ***Capital Projects Funds:*** 41, 46, and 49
- ***Food and Community Service Funds:*** 50 and 80
- ***Custodial Fund:*** 60
- ***Trust Funds:*** 72, 73, and 76

# Fund 21

- Account for special revenue funds that can be used for district operations
- Mostly contributions from gifts and donations from private sources for which no repayment or special service is expected
- May include student or other groups activities that no longer meet the definition of fiduciary.
- Must be expended pursuant to donor restrictions or board commitments
- May have a positive fund balance at year end. Cannot have negative fund balance at year end.

# Private Contributions

- Record in Fund 21 when the expenditures will not occur in the same year as the revenue. Fund 21 activity is excluded from the shared costs calculation.
- Record in Fund 10 when all of the expenditures will occur in the same year as the revenue.
- Should be recorded in funds 27, 29, 38, 39, 49, 50, 72, 80, 99 if the contribution relates to the purpose of that fund.

# Fund 38 and Fund 39

- Transactions related to repayment of general obligation debt, such as bonds, state trust fund loans, promissory notes
  - Fund 38 – transactions for debt issues without referendum approval
  - Fund 39 - transactions for debt issues with referendum approval
- [DPI Debt Webpage](#)
- [Debt transaction template and example](#)
- [Transfer of Fund 39 Accumulated Balance](#)



# Fund 41 - Capital Expansion Fund

- Projects financed with a tax levy per Wis. Stats. 120.10(10m)
  - Levy is within the Revenue Limit
  - Revenues cannot be redirected to use for general operations or routine maintenance
- Requires approval at Annual Meeting
- Restricted to eligible capital expenditures
  - Acquiring and remodeling buildings and sites
  - Maintenance or repair expenditures that extend or enhance the service life of building, building components, sites, and site components
  - Equipment and furnishing **NOT ALLOWED**

# Why use Fund 41?

- Expenses amortized over length of time
- In year of spending - reduces shared costs in aid formula
  - Can reduce the impact of negative tertiary aid for districts in that position
  - Smooth out aid for positively aided districts.

# Fund 41 - Amortizing Expenditures Over Time

Yr	Levy	Expend.	Amortized Expenditures						Total Amount
1	\$105,000	\$100,000	\$100,000						\$100,000
2	\$105,000	\$100,000		\$50,000					\$50,000
3	\$105,000	\$100,000		\$50,000	\$33,333				\$83,333
4	\$105,000	\$100,000			\$33,333	\$25,000			\$58,333
5	\$105,000	\$100,000			\$33,334	\$25,000	\$20,000		\$78,333
6	\$0	\$25,000				\$25,000	\$20,000	\$5,000	\$50,000
7	\$0	\$0				\$25,000	\$20,000	\$5,000	\$50,000
8	\$0	\$0					\$20,000	\$5,000	\$25,000
9	\$0	\$0					\$20,000	\$5,000	\$25,000
10	\$0	\$0						\$5,000	\$5,000
T	\$525,000	\$525,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$25,000	\$525,000

# Fund 46 - Long-term Capital Improvement Trust Fund

A school board may establish a “trust” to fund capital improvement projects per their ten-year long-term capital improvement plan.

## *REQUIREMENTS - Getting Started*

1. Board approved 10-year capital improvement plan.
2. Board resolution to establish a trust.
3. Creation of a segregated bank account.

For additional information or document submission contact Roger Kordus: [Roger.Kordus@dpi.wi.gov](mailto:Roger.Kordus@dpi.wi.gov) or (608) 267-3752.

# Fund 46 - Restrictions

- Funds may only be accessed five years after the establishment of the “trust” fund.
- Funds must be physically deposited and held in a segregated bank/investment (separate and distinct from other district accounts) until they are expended for capital improvement projects per the district’s plan.
- Funds invested as per sec. 66.0603, Wis. Stats.

# Fund 49 - Other Capital Projects Fund

- Primarily Funded with Borrowing Proceeds
  - Bonds, Promissory Notes, State Trust Fund Loans
- Capital projects funded through other sources of revenue may be accounted for in Fund 49
  - Donations specified for the capital project
  - Proceeds from the sale of capital assets if board approves proceeds to be used for future capital expenditures

# Additional Capital Projects Fund Information

- [Summary of Capital Project Funds](#)
- [Capital Expansion Fund - Fund 41](#)
- [Long-Term Capital Improvement Trust Fund - Fund 46](#)
- [Capital Expansion Fund 41 Presentation](#)
- [Capital Projects Funds 41 and 46 Presentation](#)
- [Capital Projects Funds Webpage](#)



# Fund 50

- All revenues and expenditures related to the district's food service activities are recorded in this fund
  - A fund balance in the Food Service Fund is permitted
  - A deficit in the food service fund must be eliminated with an operating transfer from the general fund.
  - Maximum transfer from Fund 10 if no Fund 50 deficit is limited to amount necessary to cover a current year deficit in a particular food service program (National School Lunch, Breakfast, Ala Carte, etc.)



# Fund 60

- Primarily related to pupil organizations, parent organizations, and certain scholarships.
- District does not have administrative involvement related to these funds.

# Fund 60

## **All Fiduciary Funds reporting now require a:**

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Revenues and Expenditures disaggregated by source and type
- Includes custodial funds in Fund 60

# Fund 72

## Private-Purpose Trust Fund Requirements:

- Meets trust requirements
- Includes all trusts that are not Pension, OPEB, or Investment Trust Funds
- Government controls the assets
- Assets fiduciarily derived

# Fund 73 – Employee Benefit Trust Fund

- Accounts for resources held in trust for formally established defined benefit plans, defined contribution plans, or employee benefit plans
- Must be legally established in accordance with state statutes, federal law, and IRS requirements
- Legally *irrevocable* trust
- Created as a mechanism for districts to fund post-employment benefit obligations

# Fund 73 – Employee Benefit Trust Fund

- **Not required to use Fund 73**
  - Fund 73 accumulates resources to pay future benefits
  - Pay-as-you-go pays benefits out of Fund 10 as paid
    - Does not reduce long-term liability
  - Both options require actuarial study
- District makes payments to the trust (Fund 73) from the governmental funds (Funds 10, 27, 50, and 80) to fund annual obligations.
- Fund 73 pays the retiree benefits.

# Fund 73 – Employee Benefit Trust Fund

- Reduces long-term unfunded obligations.
- Costs in F27 are aidable up to the ADC if one of the three criteria are met.
  1. Contribution = ADC
  2. Contribution (73R 951) is 5% greater than the expenditures out of the trust for OPEB (73E, Objects 991 and 994)
  3. Same as number 2 but looking at 3 years

# Fund 73 – Additional Information

- [Fund 73 - Sample of Activity](#)
- [Fund 73 - Account Descriptions](#)
- [Employee Benefit Trust Fund Webpage](#)
  - Factors to consider when establishing a trust
  - FAQ
  - Fund 73 Requirements
  - Categorical Aid Eligibility Spreadsheet



# Fund 80

## Community Programs and Service Fund

*How many school districts in attendance here, support programs with Fund 80 revenues?*





# Fund 80

## Community Programs and Service Fund website

### [Community Service Fund Overview](#)

- The authority for a school board to operate Community Programs and Services (Fund 80) is established under sec. 120.13(19), Wis. Stats., and PI 80.
- 120.13(19) concludes with this sentence:
  - *The school board may not expend moneys on ineligible costs, as defined by DPI by rule.*
  - *Costs associated with such programs and services shall not be included in the school district's shared cost under [s. 121.07 \(6\)](#).*

# Fund 80

## Community Programs and Service Fund website

### [Community Services Fund Overview](#)

- Fund 80 is mostly funded by local taxpayers.
- It is not a factor in the equalization aid calculation.

Chapter PI 80 Community Programs and Services was created per 2013 Wisconsin Act 306. *Effective Date: May 1, 2015.* [Community Services Fund 80](#)

# Fund 80

## Chapter PI 80- COMMUNITY PROGRAMS AND SERVICES

### *Turn & Talk Activity*

*With those next to you, discuss the pros and cons of the language in PI-80 that define “ineligible costs.”*

- *Is the language too vague?*
- *Should more detail to PI-80 be added for clarity?*
- *Talk about potential updates to the rule if you were able to make amendments to PI-80.*

# Fund 80

## Chapter PI 80- COMMUNITY PROGRAMS AND SERVICES

### PI 80.01 Purpose.

[PI 80.01\(1\)](#)(1) Under s. [120.13 \(19\)](#), Stats., the school board of a common or union high school district, a unified school district, or a 1st class city school district may establish and maintain community education, training, recreational, cultural, or athletic programs and services, outside of its regular curricular and extracurricular programs for pupils.

(2) The purpose of this chapter is to define which costs are ineligible under s. [120.13 \(19\)](#), Stats.

**PI 80.02 Ineligible costs.** A school board may not expend moneys on ineligible costs for community programs and services. The following are ineligible costs:

# Fund 80

- **Chapter PI 80 – Ineligible costs**

- (1) Costs for any program or service that is limited to only school district pupils.
- (2) Costs for any program or service whose schedule presents a significant barrier for age-appropriate school district residents to participate in the program or service.
- (3) Costs that are not the actual, additional cost to operate community programs and services under s. [120.13 \(19\)](#), Stats.
- (4) Costs that would be incurred by the school district if the community programs and services were not provided by the school district.

# Fund 80

## Chapter PI 80- COMMUNITY PROGRAMS AND SERVICES

### *Turn & Talk Activity- Sharing Time*

*With those next to you, discuss the pros and cons of the language in PI-80 that define “ineligible costs.”*

- *Is the language too vague?*
- *Should more detail to PI-80 be added for clarity?*
- *Talk about potential updates to the rule if you were able to make amendments to PI-80.*

# Does a program or service belong in Fund 10 (the General Fund) or Fund 80?

It is the Board of Education and the Administration who decide what meets the criteria to be in Fund 80.

Districts are encouraged to use the “Decision Tree for potential Fund 80 Community Programs and Services” [Final-Decision-Tree-for-Potential-Fund-80-Programs.pdf](#) before proceeding with a change.

# Fund 80 (PI-80)

- 2013 Act 306 requires that Fund 80 expenditures be audited by the school district's auditor.
- NOTE: Current law already directs DPI to exclude from Shared Costs (for General Aid purposes) any CPS expenditures.

**If a CPS expenditure audit determines that a district had inappropriately coded CPS expenditures to Fund 10, those expenditures would have to be removed from Fund 10 and would decrease the district's Shared Costs for General Aid purposes. Wis. Stat. § [121.91\(4\)\(r\)](#)**



# Fund 80 (PI-80)

- **Current law** requires DPI to determine if *ineligible CPS expenditures* exist
  - If reported in the audit process; DPI must reduce the district's allowable revenue limit authority the following year by the amount of the ineligible CPS expenditures; structured as a negative exemption rather than a reduction to the district's base.
- This was first applied to the Revenue Limit calculation for the 2015-16 school year, based on 2014-15 expenditures.

# Fund 80

## Preparing for an CPS audit;

Each program or service will need to be documented within the district's accounting system.

- Supporting documentation will be part of the audit process.

Community Service Fund Information Wisconsin Uniform Financial Accounting Requirements (WUFAR) will assist each district in this process.

[Community Services Fund 80 Overview](#) webpage provides the most recent information regarding Fund 80.

- “Latest News” includes information on how Fund 80 could repay Fund 10 for operational costs.

# Fund 99

- Optional use when District is fiscal agent of cooperative.
  - Can also account for in Fund 10.
  - Special education cooperative programs **must be** in Fund 27.
- Requires an agreement per [Wis Stats 66.0301](#)
- [Package and Cooperative Funds Webpage](#)

# Fund 99 Accounting

- Participating districts pay their portion to host district.
- Host district transfers its share of costs from Fund 10.
- All program expenditures paid from Fund 99.
- No fund balance or deficit allowed.

# THANK YOU!

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