

This next article deals with school budgets. Understanding school budgets can be like “Chinese Algebra” at times. Hopefully, this information will help you comprehend better the daily challenges that occur with our budget.

To understand how school districts account for their money, think of your personal finances made up of individual checkbooks. You have one checkbook for your house payment, one checkbook for your car payment, one checkbook for utilities and so on. You can only utilize money in each checkbook for the specific purposes designated. This is how schools operate.

Operating funds are used to pay for general operating expenses such as teacher salaries, classroom supplies, insurance, utilities, etc. The funds under this group are “dependent” in that they are dependent on funding from state aid which funds the General Fund. Some examples of these checkbooks under operating funds are the general fund, professional development, vocational education and special education. If checkbooks in this group don’t have enough money from their source of funds, they are dependent on transfers from the General Fund to fill their checkbook. An example of this scenario would be if we run into added expenses with our special education program due to increased student needs throughout the year. We would have to transfer money from the General Fund to Special Education. One checkbook that is in this group is Contingency Reserve. This balance is our equivalent of the emergency fund in your personal budget for dealing with things like a broken water heater, an air conditioner that needs replaced or, if the state is late with their payments, we can meet payroll and pay our bills. Legally this fund can’t exceed 10% of the operating budget. Most CPA’s would say schools need at least 60 days of operating funds in this account.

Restricted funds are specific in their use. These funds can’t be used for any purpose other than what State Statute says they can be used for. An example would be that you can’t pay teachers more out of the driver’s education checkbook. No transferring can occur in these accounts. Some examples of these checkbooks are federal funds, food service and student activity accounts.

The Flow Through checkbook holds money long enough for it to go directly to the account that it is assigned. The best example is KPERs (Kansas Public Employees Retirement System). The state deposits money into USD 244’s checkbook, and withdraws the money immediately. There is never a balance in this account for very long.

Some people would have you believe that there have been increased funds to education over the past few years. That isn’t accurate. There have been increases to KPERs and Bond and Interest. This doesn’t go directly to the classroom. Also, our local 20 mills that everyone generates in their towns for education now goes to the state and is then returned to our district. This looks like we are getting more money from the state, but that isn’t really the case.

I hope this article has been informative. There is a power point with additional information at our district website (www.usd244ks.org). Go to the tab labeled school board, then to documents and general budget information. If you ever have any questions or would like to talk to me, please feel free to contact me via e-mail at cmarsshall@usd244ks.org or call me at 620-364-8478 extension *3040.