

CHAPTER 298A

SCHOOL DISTRICT FUND STRUCTURE

Referred to in [§256C.4](#)

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298A.1 Effective date.

[This chapter](#) establishes the fund structure which shall be used by school districts commencing with the school budget year which begins on July 1, 1995.

[94 Acts, ch 1029, §1](#)

298A.2 General fund.

All moneys received by a school corporation from taxes and other sources must be accounted for in the general fund, except moneys required by law to be accounted for in another fund.

[94 Acts, ch 1029, §2](#)

298A.3 District management levy fund.

The district management levy fund is a special revenue fund. A district management levy fund must be established in any school corporation which levies the tax authorized under [section 298.4](#).

[94 Acts, ch 1029, §3](#)

298A.4 Physical plant and equipment levy fund.

The physical plant and equipment levy fund is a capital project fund. A physical plant and equipment levy fund must be established in any school corporation which levies the tax authorized, whether regular or voter-approved, under [section 298.2](#).

[94 Acts, ch 1029, §4; 2013 Acts, ch 88, §30](#)

298A.5 Schoolhouse tax levy fund. Repealed by .**298A.6 Public education and recreation levy fund.**

The public education and recreation levy fund is a special revenue fund. A public education and recreation levy fund must be established in any school corporation which levies the tax authorized under [section 300.2](#) or which receives revenue from a [chapter 28E](#) agreement authorized under [section 300.1](#).

[94 Acts, ch 1029, §6](#)

298A.7 Library levy fund.

The library levy fund is a special revenue fund. A library levy fund must be established in any school corporation which levies the tax authorized under [section 298.7](#).

[94 Acts, ch 1029, §7](#)

298A.8 Student activity fund.

The student activity fund is a special revenue fund. A student activity fund must be established in any school corporation receiving money from student-related activities such as admissions, activity fees, student dues, student fund-raising events, or other student-related

cocurricular or extracurricular activities. Moneys in this fund shall be used to support only the cocurricular program defined in department of education administrative rules.

[94 Acts, ch 1029, §8](#)

Referred to in [§298A.15](#)

298A.9 Capital project funds.

A capital project fund must be established in any school corporation which issues bonds or other authorized indebtedness for capital projects or which initiates a capital project, or which receives grants or other funds for capital projects. Boards are authorized to establish more than one capital project fund as necessary. Any balance remaining in a capital project fund after the capital project is completed may be retained for future capital projects in accordance with the original purpose of the bond issue or voter-approved levy; or may be transferred, by board resolution, to the debt service fund, to the physical plant and equipment levy fund or another capital project fund, or to the fund from which the surplus originated; or transferred to the general fund in accordance with [section 278.1, subsection 1](#), paragraph “e”.

[94 Acts, ch 1029, §9](#); [2013 Acts, ch 88, §31](#)

298A.10 Debt service fund.

A debt service fund must be established in any school corporation which issues bonds or other authorized indebtedness. The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by this Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund. Funds remaining in the debt service fund after payment of all outstanding debt in accordance with the original purpose of the indebtedness may be transferred by board resolution to the physical plant and equipment levy fund or transferred to the general fund in accordance with [section 278.1, subsection 1](#), paragraph “e”.

[94 Acts, ch 1029, §10](#)

298A.11 School nutrition fund.

A school nutrition fund is an enterprise fund. A school nutrition fund must be established in any school corporation receiving moneys from the school meal program authorized under [chapter 283A](#).

[94 Acts, ch 1029, §11](#); [95 Acts, ch 67, §24](#)

298A.12 Child care fund.

A child care fund is an enterprise fund. A child care fund must be established in any school corporation receiving moneys from the child care program authorized under [section 279.49](#).

[94 Acts, ch 1029, §12](#); [99 Acts, ch 192, §33](#)

298A.13 Trust, permanent, or agency funds.

Trust, permanent, or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust, permanent, or agency funds as necessary.

[94 Acts, ch 1029, §13](#); [2013 Acts, ch 88, §32](#)

298A.14 Other funds.

A school corporation may establish other funds in accordance with generally accepted accounting principles and may certify other taxes to be levied for the funds as provided by state law. The status of each fund must be included in the annual report. The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied.

[94 Acts, ch 1029, §14](#)

298A.15 Entrepreneurial education funds.

1. *Funds established — purposes.* For the purposes of enhancing student learning by encouraging students to develop and practice entrepreneurial skills at an early age and of fostering a business-ready workforce in this state, a school corporation may establish an entrepreneurial education fund at the request of a student organization or club and upon approval by the school board. An entrepreneurial education fund is a special revenue fund and shall consist only of moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club, private donations and private contributions, and any interest earned on such moneys, that are deposited in the fund. Moneys in the fund shall be used only for investments made, or activities undertaken, for entrepreneurial purposes in accordance with [this section](#). The student organization or club may designate an entrepreneurial purpose for the use of moneys in the fund in accordance with [this section](#). A school corporation may expend moneys in the fund for use by the student organization or club in accordance with [this section](#) upon approval of the designated entrepreneurial purpose by the school board. A school organization or club shall deposit any return on an investment made with moneys from the fund in the school corporation's entrepreneurial education fund. The school corporation shall not transfer or contribute to the fund any other moneys that are not moneys earned through entrepreneurial activities or returns on investments made for entrepreneurial purposes by the student organization or club.

2. *Funds transferred.* At the request of a student organization or club and upon approval by the school board, a school corporation shall transfer moneys in a student activity fund established under [section 298A.8](#), for deposit by the student organization or club in an entrepreneurial education fund. However, a school corporation shall not transfer such moneys unless the moneys are attributable through appropriate documentation to the specific student organization or club and unless the student organization or club shows through appropriate documentation that the student organization or club earned the moneys through entrepreneurial activities as defined in [subsection 5](#), paragraph "a".

3. *Conflicts of interest prohibited.* A student organization or club shall not invest moneys from an entrepreneurial education fund for an entrepreneurial purpose in which a member of the student organization or club, an advisor or supervisor of the student organization or club, or an immediate family member of such persons, has a financial interest. [Sections 279.7A](#) and [301.28](#) apply to [this section](#).

4. *Fund closure.* A school corporation shall close an entrepreneurial education fund at the request of the student organization or club for which the school corporation established the fund. All moneys in the fund on the date of closure and any subsequent return on an investment made with moneys from the fund shall be deposited in the school corporation's student activity fund established under [section 298A.8](#).

5. *Definitions.* For purposes of [this section](#):

a. "Entrepreneurial activities" means starting, maintaining, or expanding a business venture, including a seasonal business venture, or rendering other labor or services in return for compensation. "Entrepreneurial activities" does not include charitable contributions or other donations or gifts received by the student organization or club for which no labor or services are rendered.

b. "Entrepreneurial purpose" means establishing or investing in a start-up company, early-stage company, or existing company developing a new product or new technology if the investment is in keeping with the education program of the school corporation; if the student organization or club or its members will, as a stated condition of the investment, take an active role in the company which active role directly relates to and furthers the educational purposes for which the student organization or club is established; and if a reasonable return upon the investment is expected.

c. "Immediate family member" means a spouse; natural or adoptive parent, child, or sibling; or stepparent, stepchild, or stepsibling.

2013 Acts, ch 71, §3 – 5

Subsection 2 applies to moneys in a student activity fund in existence on or after April 25, 2013, that are attributable to a specific student organization or club and were earned by the organization or club through entrepreneurial activities; 2013 Acts, ch 71, §5