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CHAPTER 237

FINANCIAL ACCOUNTS AND EXPENDITURES FOR PUBLIC SCHOOLS

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237.01 Uniform records and accounts.—The financial records and accounts of each school board shall be maintained under the direction of the superintendent and under regulations prescribed by the state board for the uniform system of financial records and accounts for the schools of the state. The superintendent shall recommend to the school board such clerical and professional assistants as are necessary for the proper keeping of the uniform system of financial records and accounts, and it shall be the duty of the school board to make adequate appropriation for such assistance.

History.—s. 1059, ch. 19355, 1939; CGL 1940 Supp. 892(378); s. 14, ch. 67-387, ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221.

237.02 Expenditures.—Expenditures shall be limited to the amount budgeted under the classification of accounts provided for each fund and to the total amount of the budget after the same have been amended as prescribed by law and regulations of the state board. The school board shall endeavor to obtain maximum value for all expenditures.

(1) **PURCHASES.**—

(a) Each district school board shall develop and adopt policies establishing the plan to be followed in making purchases as may be prescribed by the state board.

(b) In districts in which the county purchasing agent is authorized by law to make purchases for the benefit of other governmental agencies within the county, the school board shall have the option to purchase from the current county contracts at the unit price stated therein if such purchase is to the economic advantage of the school board, subject to conformation of the items of purchase to the standards and specifications prescribed by the district.

(c) The State Board of Education shall adopt regulations authorizing school districts to establish petty cash funds within the public school system.

(2) **ALTERNATIVE PROCEDURES FOR PURCHASING.**—The State Board of Education may, by regulation, provide for alternative procedures for bidding or purchasing in cases in which the character of the item requested renders competitive bidding impractical.

(3) **EXPENDITURES FROM DISTRICT AND OTHER FUNDS.**—Expenditures from district and all other funds available for the public school program of any district shall be authorized by law and must be in accordance with procedures prescribed by the school board. A school board may establish policies that allow expenditures to exceed the amount budgeted by function and object, provided that the school board approves the expenditure and amends the budget within timelines established by school board policies.

(4) **INTERNAL FUNDS.**—

(a) The school board shall be responsible for the administration and control of all local school funds derived by any public school from all activities or sources, and shall prescribe the principles and procedures to be followed in administering these funds consistent with regulations adopted by the State Board of Education.

(b) The State Board of Education shall adopt regulations governing the procedures for the recording of the

receipts, expenditures, deposits, and disbursements of internal funds.

History.—s. 1060, ch. 19355, 1939; CGL 1940 Supp. 892(379); s. 21, ch. 29754, 1955; s. 18, ch. 57-249; s. 16, ch. 61-288; s. 7, ch. 61-459; s. 18, ch. 63-376; s. 1, ch. 67-237; s. 2, ch. 67-138; s. 15, ch. 67-387; ss. 15, 22, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 1, ch. 73-137; s. 56(1st), ch. 91-105; s. 1, ch. 95-413.

237.031 Budget system established.—There shall be established in each school district a budget system as prescribed by law and state board regulations.

History.—s. 1063, ch. 19355, 1939; CGL 1940 Supp. 892(382); s. 167, ch. 65-239; s. 1, ch. 69-300; s. 167, ch. 72-221.

Note.—Former s. 237.05.

237.041 Form of annual budget required.—An annual budget is required to be prepared and adopted by the school board of each district and submitted to the Department of Education for examination each year on or before the date provided in regulations of the state board. Such annual budget shall be prepared in accordance with regulations prescribed by the state board and the provisions of s. 200.065. The annual budget submitted by each school board shall be consistent with, and contribute to, the implementation of a planned long-range school program for the district.

History.—s. 1064, ch. 19355, 1939; CGL 1940 Supp. 892(383); ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 32, ch. 80-274.

Note.—Former s. 237.06.

237.046 Promotion and public relations, funding.—Each district school board is authorized to budget and use a portion of the funds accruing to it from auxiliary enterprises and undesignated gifts for promotion and public relations as prescribed by regulations of the state board. Such funds may be used to provide hospitality to business guests in the district or elsewhere. However, such hospitality expenses may not exceed the amount authorized for such contingency funds as prescribed by rules of the state board.

History.—s. 22, ch. 83-325.

237.051 Estimate of property appraiser.—Pursuant to s. 200.065, the property appraiser of each county shall certify to the superintendent his or her estimate of the total valuation to be assessed on the current year's tax roll for nonexempt property in the county.

History.—s. 1066, ch. 19355, 1939; CGL 1940 Supp. 892(385); s. 87, ch. 29764, 1955; s. 1, ch. 61-328; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 1, ch. 77-102; s. 33, ch. 80-274; s. 1, ch. 95-148.

Note.—Former s. 237.08.

237.061 Budget and parts thereof must balance.—If, when a tentative budget has been prepared in accordance with regulations of the state board, the proposed expenditures, plus transfers, and balances exceed the estimated income, transfers, and balances, the proposed tax levy shall be increased, if that is possible without exceeding the maximum millage authorized by the voters and the millage which may be authorized by the board pursuant to law. If such increase is not possible, the appropriations, transfers, or reserves shall be reduced so that the budget and each of the parts thereof will balance.

History.—s. 167, ch. 72-221.

237.071 School board to adopt tentative budget.—

(1) On or before the date prescribed in regulations of the state board, the school board of each district shall

receive and examine the tentative budget submitted by the superintendent, and shall require such changes to be made, in keeping with the purposes of the school code, as may be to the best interest of the school program in the district.

(2) The school board shall determine, within prescribed limits, the reserves to be allotted for contingencies, and the cash balance to be carried forward at the end of the year. If the school board shall require any changes to be made in receipts, in the reserves for contingencies, or in the cash balance to be carried forward at the end of the year, it shall also require necessary changes to be made in the appropriations for expenditures so that the budget, as changed, will not contain appropriations for expenditures and reserves in excess of, or less than, estimated receipts and balances.

(3) The proposed budget shall include an amount for local required effort for current operation, in accordance with the requirements of s. 236.081(4).

(4) The board shall adopt a tentative budget.

History.—s. 1069, ch. 19355, 1939; CGL 1940 Supp. 892(388); ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 10, ch. 74-227; s. 4, ch. 81-104.

Note.—Former s. 237.11.

237.081 Public hearings; budgets to be submitted to Department of Education.—The school board of each district shall cause a summary of its tentative budget, including the proposed millage levies as provided for by law, to be advertised one time in a newspaper of general circulation published in the district or to be posted at the courthouse door if there be no such newspaper. The advertisement shall appear adjacent to the advertisement required pursuant to s. 200.065. The board shall hold public hearings to adopt tentative and final budgets pursuant to s. 200.065. The hearings shall be primarily for the purpose of hearing requests and complaints from the public regarding the budgets and the proposed tax levies and for explaining the budget and proposed or adopted amendments thereto, if any. The school board shall then require the superintendent to transmit forthwith two copies of the adopted budget to the Department of Education for approval as prescribed by law and regulations of the state board.

History.—s. 1070, ch. 19355, 1939; CGL 1940 Supp. 892(389); s. 8, ch. 22839, 1945; s. 16, ch. 67-387; ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 21, ch. 75-284; s. 34, ch. 80-274.

Note.—Former s. 237.12.

237.091 Levying of taxes.—

(1) Upon receipt of the certificate of the property appraiser giving the assessed valuation of the county and of each of the special tax school districts pursuant to s. 200.065, the school board shall determine by resolution the amounts necessary to be raised for current operating purposes and for each district bond interest and sinking fund and the millage necessary to be levied for each such fund, including the voted millage. A certified copy of the resolution shall thereupon be filed with the county property appraiser, and the school board shall also order the property appraiser to assess the several millages certified by the school board against the appropriate taxable property in the school district.

(2) The property appraiser shall then assess the taxes as ordered by the school board. Tax millages so assessed shall be clearly designated and separately

identified as to source on the tax bill for other county taxes.

(3) The collector shall collect said taxes and pay over the same promptly as collected to the district school depository or depositories to be used as provided by law; provided, that all taxes authorized herein shall be assessed and collected on railroad, street railroad, sleeping car, parlor car, and telegraph company property in the manner now provided by law.

History.—s. 1076, ch. 19355, 1939; CGL 1940 Supp. 892(395); s. 169, ch. 65-239; s. 1, ch. 67-226; s. 1, ch. 69-300; s. 1, ch. 70-401; s. 167, ch. 72-221; s. 1, ch. 77-102; s. 35, ch. 80-274; s. 12, ch. 80-295; s. 56(2nd), ch. 91-105.

Note.—Former s. 237.18.

237.101 Implementation of the official budget.—

The official budget shall give the appropriations and reserves therein the force and effect of fixed appropriations and reserves, and the same shall not be altered, amended, or exceeded except as authorized. However, if the actual receipts during any year are less than budgeted receipts, and any obligations are thereby incurred which cannot be met before the close of the year, such obligations shall be paid and accounted for in the ensuing fiscal year in the manner prescribed by rules of the state board and shall be payable out of the first funds available for that purpose.

History.—s. 167, ch. 72-221; s. 80, ch. 73-333; s. 13, ch. 80-295.

237.111 Expenditures between July 1 and date budget becomes official.—During the period from July 1 to the date the tentative budget becomes official, school boards are authorized to approve ordinary expenditures, including salary payments, which are necessary for the approved school program.

History.—s. 1079, ch. 19355, 1939; CGL 1940 Supp. 892(398); s. 172, ch. 65-239; ss. 15, 35, ch. 69-106; s. 167, ch. 72-221; s. 5, ch. 81-104.

Note.—Former s. 237.21.

237.121 Penalty.—

(1) Any member of a school board or any superintendent who shall violate the provisions of this chapter shall be guilty of malfeasance and misfeasance in office, and shall be subject to removal from office by the Governor; and any contract or attempted contract entered into by any school officer or subordinate school officer, not within the purview or in violation of the provisions of this chapter shall be void, and no such contract or attempted contract shall be enforceable in any court.

(2) Each member of any school board voting to incur an indebtedness against the district school funds in excess of the expenditure allowed by law, or in excess of any appropriation as adopted in the original official budget or amendments thereto, or to approve or pay any illegal charge against the said funds, and any chair of a school board or superintendent who shall sign a warrant for payment of any such claim or bill of indebtedness against any of the said funds shall be personally liable for the amount, and shall be guilty of malfeasance in office and subject to removal by the Governor. It shall be the duty of the Auditor General or other state official charged by law with the responsibility for auditing school accounts, upon discovering any such illegal expenditure or expenditures in excess of the appropriations in the budget as officially amended, to certify such fact to the Department of Banking and Finance, which

thereupon shall verify such fact and it shall be the duty of the said Department of Banking and Finance to advise the Department of Legal Affairs thereof, and it shall be the duty of the said Department of Legal Affairs to cause to be instituted and prosecuted, either through its office or through any state attorney, proceedings at law or in equity against such member or members of a school board or superintendent; provided, that if either of the said officers do not institute proceedings within 90 days after the audit has been certified to them by the Department of Banking and Finance then any taxpayer may institute suit in his or her own name in behalf of the district.

History.—s. 1081, ch. 19355, 1939; CGL 1940 Supp. 892(400), 8115(20); s. 10, ch. 20970, 1941; s. 14, ch. 21989, 1943; s. 174, ch. 65-239; s. 8, ch. 69-82; ss. 11, 12, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 2, ch. 95-148.

Note.—Former s. 237.23.

237.131 Certain provisions to be directory.—No irregularities of form or manner in the preparation or adoption of any budget under the provisions of this chapter shall invalidate either the budget adopted or the taxes levied therefor. However, the budget and the taxes levied must conform substantially to the principles and provisions of law and regulations of the state board.

History.—s. 1082, ch. 19355, 1939; CGL 1940 Supp. 892(401); s. 167, ch. 72-221.

Note.—Former s. 237.24.

237.141 Purposes of and procedures in incurring school indebtedness.—Indebtedness for school purposes may be incurred only as follows:

(1) School districts may issue bonds creating a long-term indebtedness as prescribed by law.

(2) Notes may be issued for money borrowed in anticipation of the receipt of current school funds, included in the budget from the state, county, or districts, as authorized under s. 237.151.

(3) Indebtedness may be incurred for certain purposes as authorized under s. 237.161, s. 237.162, or s. 237.171.

(4) Bonds or revenue certificates issued on behalf of the district by the State Board of Education as authorized by s. 18, Art. XII of the State Constitution of 1885 as adopted by s. 9(d) of Art. XII, 1968 revised constitution, and the additional provisions of s. 9(d).

History.—s. 1083, ch. 19355, 1939; CGL 1940 Supp. 892(402); s. 92, ch. 29764, 1955; s. 31, ch. 69-216; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 31, ch. 89-278.

Note.—Former s. 237.25.

237.151 Current loans authorized under certain conditions.—Except as provided in subsection (2), for any fiscal year in which school funds are estimated to be insufficient at any time during that fiscal year to pay obligations created by the school board of any district in accordance with the official budget of the district, or a budget approved by the school board which is prepared preliminarily to the tentative budget required by this chapter, the school board is authorized to negotiate a current loan to pay these obligations, providing for the repayment of that loan from the proceeds of revenues reasonably to be anticipated during the fiscal year in which the loan is made as prescribed below. However, the school board shall, whenever possible, so arrange its expenditures as to make the incurring of current loans unnecessary. When it is deemed necessary for the benefit of the schools of the district for a current loan to

be negotiated, the school board shall arrange for a loan in an amount not violative of federal arbitrage regulations and for the repayment of the loan, in accord with the other provisions of this section.

(1) CURRENT LOANS AGAINST DISTRICT FUND, DISTRICT CAPITAL PROJECTS FUNDS, AND DISTRICT INTEREST AND SINKING FUNDS.—

(a) The school boards of the several districts in the state are authorized and empowered to borrow money, to be retired from the district tax receipts anticipated in the operating budget, the district capital projects budget, and the debt service budget, at a rate of interest not to exceed the rate authorized under the provisions of s. 215.84, for the purpose of paying all outstanding obligations and for the further purpose of paying any and all lawful expenses incurred in operating the schools of the district. However, it is unlawful for any school board to borrow any sum of money in any one year in excess of 80 percent of the amount as estimated by it in the official budget for the current fiscal year for the district to be available from the district tax. The sum so borrowed shall be paid in full before the school board is authorized to borrow money in any succeeding year.

(b) Nothing in paragraph (a) shall be construed to invalidate any outstanding debt of any district as now existing and now due, or to become due, or as requiring any school board to pay the same in full before being permitted to borrow 80 percent on the estimate for the next ensuing year.

(c) In the event that the county tax roll is subjected to litigation and the tax collector is prevented from collecting taxes on that roll, the following provisions shall apply:

1. The restriction of 80 percent in paragraph (b) shall not apply if the collection of taxes is delayed beyond May 1.

2. The school boards of the several districts of the state are authorized and empowered to borrow money, to be repaid from the district school fund for operating purposes, the district capital projects funds, and the district interest and sinking funds, at a rate not to exceed the rate authorized under the provisions of s. 215.84, for the purposes of paying any and all lawful operating expense, capital expense, and required debt service necessary for the outstanding bond issues of such districts at the times that the funds are needed to prevent the bonds or interest payments from being in default. However, the amount of money so borrowed shall be limited to the amount of the district school fund and district interest and sinking fund tax receipts included in the official school budget for that year or the amount necessary to be borrowed to meet such obligations, whichever amount is the lesser. Any funds borrowed pursuant to the authority of this subsection shall, insofar as possible, be repaid during the fiscal year in which the loan was made. However, any such loan unpaid at the end of the fiscal year shall be repaid from the first available revenue in the next succeeding year.

(2) CURRENT LOANS PAYABLE FROM REVENUE PROCEEDS.—

(a) A school board is also authorized to negotiate a current loan before the end of the fiscal year, the note or notes from which loan shall be issued no earlier than

60 days before the beginning of the subsequent fiscal year, to be repaid during the subsequent fiscal year from the proceeds of revenue reasonably anticipated to be received during that year. The proceeds of any loan obtained pursuant to this subsection shall be limited, and the school board shall take any and all action necessary, to assure that the Internal Revenue Code and the regulations promulgated thereunder are not violated.

(b) Loans arranged pursuant to this subsection shall be negotiated in accordance with a budget approved by the school board which is prepared preliminarily to the tentative budget required by this chapter. Such loans shall be at a rate of interest not to exceed the rate of interest authorized under the provisions of s. 215.84 and shall not be in excess of amounts authorized under the Internal Revenue Code for arbitrage.

(c) The proceeds of any loan obtained pursuant to this subsection, or any interest earnings thereon, shall not be used to pay any expenses incurred in the fiscal year in which the loan is made; nor shall the proceeds of the loan or interest earnings thereon be in any way encumbered to pay expenses incurred in the fiscal year in which the loan is made, but shall be held in escrow until the subsequent fiscal year. Any outstanding loan issued pursuant to subsection (1) must be defeased not less than 5 business days prior to the issuance of any obligation pursuant to this subsection. All proceeds of any loan obtained pursuant to this subsection, and any interest earnings thereon, shall be placed at closing in an irrevocable escrow account and held until the beginning of the subsequent fiscal year. The school district shall maintain the integrity of such loan proceeds and related interest in its accounting records so as to be able to validate compliance with the provisions of this paragraph.

History.—s. 1084, ch. 19355, 1939; CGL 1940 Supp. 892(403); s. 11, ch. 20970, 1941; s. 93, ch. 29764, 1965; s. 1, ch. 63-15; ss. 175, 176, 177, 178, ch. 66-239; s. 18, ch. 67-387; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 11, ch. 74-227; s. 6, ch. 81-104; s. 1, ch. 82-57; s. 1, ch. 84-18; s. 53, ch. 85-80; s. 32, ch. 89-278.

Note.—Former s. 237.26.

237.161 Obligations for a period of 1 year.—The school board of any district is authorized only under the following conditions to create obligations by way of anticipation of budgeted revenues accruing on a current basis without pledging the credit of the district or requiring future levy of taxes for certain purposes for a period of 1 year; however, such obligations may be extended from year to year with the consent of the lender for a period not to exceed 4 years, or for a total of 5 years including the initial year of the loan:

(1) PURPOSES.—The purposes for which such obligations may be incurred within the intent of this section shall include only the purchase of school buses, land, and equipment for educational purposes; the erection of, alteration to, or addition to educational facilities; and the adjustment of insurance on educational property on a 5-year plan, as provided by rules of the state board.

(2) OBLIGATIONS MAY NOT EXCEED ONE-FOURTH OF DISTRICT AD VALOREM TAX REVENUE FOR OPERATIONS FOR THE PRECEDING YEAR.—No obligation of the nature prescribed herein may be incurred by any school board when such proposed obligations exceed one-fourth of the revenue received during the preceding year for the district school fund for operating expense of the district.

(3) **SCHOOL BOARD TO ADOPT PROPOSAL.**—When the school board of any district proposes to incur obligations of the nature authorized in this section, the school board shall adopt and spread upon its minutes a resolution giving the nature of the obligations to be incurred, stating the plan of payment, and providing that such funds will be budgeted during the period of the loan from the current revenue to retire the obligations maturing during the year. This plan of payment shall not extend over a period longer than 1 year.

(4) **INTEREST-BEARING NOTES AUTHORIZED.**—The school board of any district which has authorized the incurring of the obligations as provided in this section shall issue interest-bearing notes for the obligations. The notes shall provide the terms of payment and shall not bear interest in excess of the rate authorized under the provisions of s. 215.84. No additional obligations of a similar nature may be incurred against the funds of any school district when notes authorized under this subsection are still outstanding and unpaid when such proposed obligations together with the unpaid notes outstanding exceed one-fourth of the revenue of the preceding year, as defined in subsection (2).

(5) **INVESTMENT OF CASH ASSETS AUTHORIZED.** The school board is authorized to invest any accumulated cash assets, not required for expenditure in the current budget year, as obligations of the board as authorized in this section.

History.—s. 1085, ch. 19355, 1939; CGL 1940 Supp. 892(405); s. 12, ch. 20970, 1941; s. 7, ch. 22858, 1945; s. 94, ch. 29764, 1955; s. 1, ch. 29665, 1955; ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 20, ch. 69-353; s. 167, ch. 72-221; s. 12, ch. 74-227; s. 7, ch. 81-104; s. 44, ch. 87-329; s. 33, ch. 89-278.

Note.—Former s. 237.27.

237.162 Obligations to eliminate major emergency conditions.—The school board of any district experiencing a major emergency condition in an existing school plant that demands immediate correction in order to prevent further damage to the building or equipment or to eliminate a safety hazard that constitutes an immediate danger to the students and other occupants is authorized to create an obligation for a period of 1 year by way of anticipation of revenues for capital outlay purposes accruing on a current basis without pledging the credit of the district. Such obligation may be extended from year to year with the consent of the lender for a period not to exceed 4 years, or for a total of 5 years including the initial year of the loan. Obligations occurring under this section may be repaid from funds to be received from taxes authorized by s. 236.25(2) and from any other funds available to the school board for the purpose under the following conditions:

(1) **SCHOOL BOARD TO ADOPT PROPOSAL.**—When the school board of any district proposes to incur obligations of the nature authorized in this section, the school board shall adopt and spread upon its minutes a resolution fully describing the emergency condition outlined above, giving the nature of the obligations to be incurred, stating the plan of payment, and providing that such funds will be budgeted during the period of the loan from the current revenue to retire the obligations maturing during the year. This plan of payment shall not extend over a period longer than 1 year.

(2) **INTEREST-BEARING NOTES AUTHORIZED.**—The school board of any district which has authorized

the incurring of the obligations as provided in this section shall issue interest-bearing notes for the obligations. The notes shall provide the terms of payment and shall not bear interest in excess of the rate authorized in s. 236.68.

History.—ss. 1, 2, ch. 82-190; ss. 1, 2, 3, ch. 85-127; s. 4, ch. 86-286; s. 45, ch. 87-329; s. 34, ch. 89-278; s. 36, ch. 95-269.

237.171 Provisions for retirement of existing indebtedness which is unfunded or in default.—In any district in which there is any indebtedness outstanding against the district school fund which has not yet been funded, or at any time any such indebtedness is in default as to principal or interest, the school board shall proceed as follows:

(1) **PLAN FOR RETIRING INDEBTEDNESS TO BE PROPOSED.**—The school board shall prepare and propose a plan for retiring any unfunded indebtedness or any such indebtedness which is in default so that no creditor having a valid claim will be given a preferred status. This plan shall be so prepared as to show the funds needed for operating the schools on the most economical basis practicable, the amount of any other obligations which must be met each year, the total funds available each year for the entire school program, and the funds that can reasonably be spared for retirement of indebtedness without needlessly handicapping the school program and which can be budgeted each year for the retirement of such indebtedness.

(2) **PROPOSAL TO BE SUBMITTED TO DEPARTMENT OF EDUCATION.**—The proposal for funding and retiring all such indebtedness, when approved by the school board, shall be submitted to the Department of Education for consideration. The school board shall not attempt to retire any such indebtedness until this procedure has been followed and until it has had the benefit of the recommendations of the department. Upon receiving the proposal, the department shall determine the minimum funds which are, in its opinion, necessary for the operation of the school program in the district; shall determine what funds remain for retirement of indebtedness each year; shall determine whether the proposed plan is in accordance with these facts, and, if it is not, shall propose modifications in the plan in accordance with the facts. The recommendations of the department shall then be submitted to the school board for consideration.

(3) **WHEN PLAN TO BE EFFECTIVE.**—The plan for retiring indebtedness, herein prescribed, shall become effective when the school board and the department jointly agree upon the amount of funds necessary for operating the schools and the amount which can be budgeted each year for retiring indebtedness. When this plan has been agreed upon, it shall become the duty of the school board to see that the amount approved for retiring indebtedness is incorporated in the budget each year, and the department shall see that this amount has been incorporated before the budget is approved, or, if such an amount can not reasonably be incorporated in the budget, as shown by evidence submitted by the school board, determine the respects in which the plan should be modified, and to see that the budget includes the amount for retiring indebtedness which can reasonably be included.

(4) FUNDING OUTSTANDING INDEBTEDNESS.—

(a) The school board of each district in the state having an outstanding indebtedness legally incurred and constituting an obligation or obligations payable from the district school fund is authorized to issue and sell interest-bearing coupon warrants in a sum or sums not to exceed the total amount of such indebtedness. Such coupon warrants shall bear interest at a rate not to exceed the rates authorized under the provisions of s. 215.84, shall be payable either annually or semiannually, and shall be in such form and denomination as the school board issuing the same shall prescribe. None of such warrants shall be issued to run for a longer period of time than 10 years from the date of issue. Such warrants shall be numbered consecutively, beginning with number one, and each warrant shall have attached thereto interest coupons, each coupon bearing the number of its warrant and representing or calling for an annual or semiannual, as the case may be, payment of interest on its warrant.

(b) Each such warrant shall be signed by the chair and attested by the secretary of the school board issuing the same, and shall have the seal of the school board affixed thereto, and the interest coupons attached thereto shall be signed by, or bear the printed or lithographed facsimile signature of the chair and secretary. Each warrant and interest coupon shall be dated and shall bear the due date. Such warrants and interest coupons shall be issued upon, and payable from, the fund designated on the face thereof. The fund so designated shall be the district school fund. All funds derived from the sale of interest-bearing coupon warrants, as herein provided, shall be used for the purpose of retiring the indebtedness for payment of which the warrants were issued, and for no other purpose, and any funds remaining from the sale of such warrants shall be applied to retiring the interest-bearing coupon warrants from which such funds were derived.

(5) FUNDING OR REFUNDING OTHER TYPES OF INDEBTEDNESS.—Any proposed plan for refunding any type of outstanding and legally incurred school indebtedness, not covered by this section, shall be submitted to the Department of Education for approval under regulations of the state board. No such indebtedness may be refunded and no plan for refunding such indebtedness may be approved, unless the plan provides for retiring the indebtedness in reasonably equal annual installments over the period of years covered, unless other obligations to be retired during any of these years make adjustments necessary. No indebtedness of any type may be refunded on a sinking fund basis. The school board shall provide that all refunding warrants, notes, or bonds shall be callable, upon proper notice, beginning not more than 10 years following the date of refunding. If any indebtedness outstanding against the county or district current school funds cannot be retired over a period of 10 years as prescribed in this section, or cannot be funded or refunded by issuing interest-bearing coupon warrants, the Department of Education is authorized to cooperate with the school officials of the district in developing a practicable plan for refunding such indebtedness and, when such a plan has been developed, may approve an agreement with the district

school officials for refunding such indebtedness to be retired over a period of time which shall not exceed a maximum of 20 years; and, if necessary, for refunding the indebtedness by issuing interest-bearing notes. Any funding or refunding obligations issued, as prescribed herein, are not and shall not be deemed to be additional bonds within the meaning of the Constitution and laws of Florida, and it shall not be necessary for such obligations to be submitted to, or approved by, a vote of the people of the district. In preparing and carrying out such a plan for funding or refunding the school indebtedness, the school board and superintendent shall follow the procedures prescribed in this section, supplemented by regulations of the state board, except for the modifications which are herein authorized.

History.—s. 1086, ch. 19355, 1939; CGL 1940 Supp. 892(405); s. 13, ch. 20970, 1941; s. 7, ch. 24337, 1947; s. 95, ch. 29764, 1955; ss. 15, 35, ch. 69-106; s. 1, ch. 69-300; s. 167, ch. 72-221; s. 8, ch. 81-104; s. 3, ch. 95-148.

Note.—Former ss. 237.33, 237.28.

237.181 School funds to be paid to Treasurer or into depository.—

(1) Every tax collector, or other person having moneys which by law go to any district school fund shall at least once each month pay the same over to the depository or depositories designated by the school board for such purpose, and shall provide the school board with a duplicate of the deposit slip. Every officer having moneys which by law go to any state school fund, shall pay the same to the Treasurer of the state, and the Treasurer shall see that these moneys are deposited to the credit of the proper state school fund.

(2) The school board shall have the authority to designate that funds due it be placed for investment for its account with the State Board of Administration rather than be deposited, and the school board may direct those persons having moneys due it or due any state school fund to pay out such funds to the State Board of Administration to make authorized investments for its account.

History.—s. 1088, ch. 19355, 1939; CGL 1940 Supp. 892(407); s. 1, ch. 69-300; s. 167, ch. 72-221; s. 2, ch. 82-57.

Note.—Former s. 237.30.

237.191 Bonds required.—Each official and school board employee who is responsible in any manner for handling or expending school funds or property shall be adequately bonded at all times in the amounts and in a manner prescribed by regulations of the state board. The school board shall pay the premiums on all required bonds. All bonds under this section shall be filed with the Department of State. All bonds required of school employees shall be approved by the superintendent under regulations of the school board and shall be filed with the school board. Bonds of school officials or school employees shall not be required to be approved by the county commissioners.

History.—s. 167, ch. 72-221.

237.201 School contractors.—Contractors paid from school funds shall give bond for the faithful performance of their contracts in such amount and for such purposes as prescribed by law or by regulations of the school board or of the state board relating to the type of contract involved. It shall be the duty of the school

board to require from every contractor a bond adequate to protect the school and school funds involved.

History.—s. 167, ch. 72-221.

237.211 School depositories; payments into and withdrawals from depositories.—

(1) SCHOOL FUNDS TO BE PAID INTO DEPOSITORIES; TRIPPLICATE RECEIPTS TO BE ISSUED.—The tax collector, the clerk of the circuit court, the superintendent, and all other persons having, receiving, or collecting any money payable to the school district shall promptly pay the same to the bank or banks selected by the school board to receive funds for that purpose. No bank shall be so selected unless it is qualified as an approved depository as provided by law. Each bank receiving any school money as provided herein shall make a receipt for same in triplicate of which one copy shall be carefully preserved and kept by the bank, one copy shall be given to the person from whom money was received, and one copy shall be given to the school board.

(2) INVESTMENT OF FUNDS DUE.—The school board shall have the authority to designate that funds due it be placed for investment for its account with the State Board of Administration rather than be deposited, and the school board may direct those persons having moneys due it or due any state school fund to pay out such funds to the State Board of Administration to make authorized investments for its account.

(3) FUNDS ON DEPOSIT WITH EACH DEPOSITORY; OVERDRAWING ACCOUNTS PROHIBITED.—The school board shall require an accurate and complete set of accounts to be maintained in the books and records for each fund on deposit in each district school depository. Each such account shall show the amount subject to withdrawal, the amount deposited, the amount expended, and the balance of the account. In compliance with the provisions of this subsection, a school board may maintain a separate checking account for each such fund or may utilize a single checking account for the deposit and withdrawal of moneys from all funds and segregate the various funds on the books and records only. No check or warrant shall be drawn in excess of the balance to the credit of the appropriate fund. The funds awaiting clearing may be invested in an approved county depository in instruments earning interest, such as repurchase agreements, savings accounts, etc. If repurchase agreements are involved, United States Treasury securities or GNMA's must be pledged as collateral for an amount to exceed the principal, interest, and a reasonable safety margin for protection against date-to-date price fluctuation.

(4) HOW FUNDS DRAWN FROM DEPOSITORIES.—All money drawn from any district school depository holding same as prescribed herein shall be upon a check or warrant drawn on authority of the school board as prescribed by law. Each check or warrant shall be signed by the chair or, in his or her absence, the vice chair of the school board and countersigned by the superintendent, with corporate seal of the school board affixed. However, as a matter of convenience, the corporate seal of the school board may be printed upon the warrant and a proper record of such warrant shall be maintained. The school board may by resolution, a copy

of which must be delivered to the depository, provide for internal funds to be withdrawn from any district depository by a check duly signed by at least two bonded school employees designated by the board to be responsible for administering such funds. However, the superintendent of schools or his or her designee, after having been by resolution specifically authorized by the school board, may transfer funds from one depository to another, within a depository, to another institution, or from another institution to a depository for investment purposes and may transfer funds in a similar manner when the transfer does not represent an expenditure, advance, or reduction of cash assets. Such transfer may be made by electronic, telephonic, or other medium; and each transfer shall be confirmed in writing and signed by the superintendent or his or her designee.

(5) FORM OF WARRANTS; DIRECT DEPOSIT OF FUNDS.—The school board is authorized to establish the form or forms of warrants, which are to be signed by the chair or, in his or her absence, the vice chair of the school board and countersigned by the superintendent, for payment or disbursement of moneys out of the school depository and to change the form thereof from time to time as the school board deems appropriate. If authorized in writing by the payee, such school board warrants may provide for the direct deposit of funds to the account of the payee in any financial institution which is designated in writing by the payee and which has lawful authority to accept such deposits. The written authorization of the payee shall be filed with the school board. Direct deposit of funds may be by any electronic or other medium approved by the school board for such purpose. The State Board of Education shall adopt rules prescribing minimum security measures that must be implemented by any school board prior to establishing the system authorized in this subsection.

(6) EXEMPTION FOR SELF-INSURANCE PROGRAMS AND THIRD-PARTY ADMINISTERED EMPLOYEES' FRINGE BENEFIT PROGRAMS.—

(a) The school board is authorized to contract with an approved service organization to provide self-insurance services, including, but not limited to, the evaluation, settlement, and payment of self-insurance claims on behalf of the school board. Pursuant to such contract, the school board may advance money to the service organization to be deposited in a special checking account for paying claims against the school board under its self-insurance program. The special checking account shall be maintained in a designated district school depository. The school board may replenish such account as often as necessary upon the presentation by the service organization of documentation for claims paid equal to the amount of the requested reimbursement. Such replenishment shall be made by a warrant signed by the chair of the board and countersigned by the superintendent. Such replenishment may be made by electronic, telephonic, or other medium, and each transfer shall be confirmed in writing and signed by the superintendent or his or her designee.

(b) The school board is authorized to contract with an insurance company or professional administrator who holds a valid certificate of authority issued by the Department of Insurance to provide any or all services

that a third-party administrator is authorized by law to perform. Pursuant to such contract, the school board may advance or remit money to the administrator to be deposited in a designated special checking account for paying claims against the school board under its self-insurance programs, and remitting premiums to the providers of insured benefits on behalf of the school board and the participants in such programs, and otherwise fulfilling the obligations imposed upon the administrator by law and the contractual agreements between the school board and the administrator. The special checking account shall be maintained in a designated district school depository. The school board may replenish such account as often as necessary upon the presentation by the service organization of documentation for claims or premiums due paid equal to the amount of the requested reimbursement. Such replenishment shall be made by a warrant signed by the chair of the board and countersigned by the superintendent. Such replenishment may be made by electronic, telephonic, or other medium, and each transfer shall be confirmed in writing and signed by the superintendent or his or her designee. The provisions of strict accountability of all funds and an annual audit by an independent certified public accountant as provided in s. 230.23(10)(f) shall apply to this subsection.

History.—s. 1090, ch. 19355, 1939; CGL 1940 Supp. 892(409); s. 24, ch. 29754, 1955; s. 8, ch. 59-23; s. 20, ch. 63-376; s. 1, ch. 69-300; s. 1, ch. 71-163; s. 167, ch. 72-221; s. 1, ch. 78-33; ss. 5, 16, ch. 79-385; s. 3, ch. 80-285; s. 7, ch. 80-378; s. 1, ch. 81-143; s. 3, ch. 82-57; s. 2, ch. 88-155; s. 72, ch. 91-105; s. 4, ch. 95-148.

Note.—Former s. 237.32.

237.34 Cost accounting and reporting.—

(1) **COST ACCOUNTING.**—Each district shall account for expenditures of all state, local, and federal funds on a school-by-school and a district-aggregate basis in accordance with the manual developed by the department or as provided by law. The method used by each district when recording and reporting cost data by program shall be reviewed and approved by the department in accordance with regulations prescribed by the state board. All districts, in cooperation with the department, shall plan mutually compatible programs for the refinement of cost data and the improvement of the accounting and reporting system.

(2) **COST REPORTING.**—

(a) Each district shall report on a district-aggregate basis expenditures for inservice training pursuant to s. 236.081(3), and for categorical programs as provided in s. 236.081(5).

(b) Each district shall report on a school-by-school and on an aggregate district basis expenditures for each program set forth in s. 236.081(1)(c), except that separate costs shall be kept for adult basic and secondary education as defined in s. 239.105. Expenditures for apprenticeship programs shall be reported separately.

(c) The commissioner shall present to the Legislature, 90 days prior to the opening of the regular session each year, a district-by-district report of the expenditures reported pursuant to paragraphs (a) and (b). The report shall include total expenditures, a detailed analysis showing expenditures for each program, and such other data as may be useful for management of the educational system. The commissioner shall also compute

cost factors for each district reflecting actual expenditures relative to the base student allocation for each of the programs as provided in s. 236.081(1)(c).

(3) **PROGRAM EXPENDITURE REQUIREMENTS.**—

(a) For each program and broad program category established in s. 236.081(1)(c), each district shall expend at least the percent of the funds generated by each of the programs listed herein on the aggregate total school costs for such programs:

1. Kindergarten and grades 1, 2, and 3, 90 percent.
2. Grades 4, 5, 6, 7, and 8, 80 percent.
3. Grades 9, 10, 11, and 12, 80 percent.
4. Special programs for exceptional students, on an aggregate program basis, 80 percent.
5. Special vocational-technical programs, on an aggregate program basis, 80 percent.
6. Special adult general education programs, on an aggregate program basis, 80 percent.
7. Students-at-risk programs, on an aggregate program basis, 80 percent.
8. Beginning in fiscal year 1989-1990, any new program established and funded under s. 236.081(1)(c), that is not included under subparagraphs 1. through 7., on an aggregate basis as appropriate, 80 percent.

(b) Funds for inservice training established in s. 236.081(3) and for categorical programs established in s. 236.081(5) shall be expended for the costs of the identified programs in accordance with the rules of the state board.

(c) In the event a district fails to meet any of the expenditure requirements as set forth herein, the commissioner shall notify the superintendent of the district involved and shall require that the school board make provision for correcting the deficiency in the subsequent year's operating budget. The commissioner shall not approve the district budget until he or she has determined that the provisions have been made to correct the deficiency.

History.—s. 11, ch. 73-345; s. 13, ch. 74-227; s. 22, ch. 75-284; s. 17, ch. 76-223; s. 5, ch. 78-405; s. 6, ch. 79-288; s. 9, ch. 81-104; s. 14, ch. 85-238; s. 11, ch. 87-329; s. 35, ch. 89-278; s. 63, ch. 91-45; s. 57, ch. 91-105; s. 51, ch. 92-136; s. 5, ch. 95-148.

237.36 Indirect costs.—School boards shall assess district indirect costs only for services received by the program or institution against which such cost is assessed. When assigning each specific indirect cost to multiple programs or institutions, school boards shall identify one basis for the assessment of such cost and shall maintain the same basis for assigning such cost to each program or institution.

History.—s. 9, ch. 94-232.

237.40 Direct-support organization; use of property; board of directors; audit.—

(1) **DEFINITIONS.**—For the purposes of this section, the term:

(a) "District school board direct-support organization" means an organization which:

1. Is approved by the district school board;
2. Is a Florida corporation not for profit, incorporated under the provisions of chapter 617 and approved by the Department of State; and

3. Is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of public prekindergarten through 12th grade education and adult vocational and community education programs in this state.

(b) "Personal services" includes full-time or part-time personnel, as well as payroll processing.

(2) USE OF PROPERTY.—A district school board:

(a) Is authorized to permit the use of property, facilities, and personal services of the district by a direct-support organization, subject to the provisions of this section.

(b) Shall prescribe by rule conditions with which a district school board direct-support organization must comply in order to use property, facilities, or personal services of the district. Promulgation of such rules shall be coordinated with the Department of Education. The rules shall provide for budget and audit review and oversight by the district school board and the department.

(c) Shall not permit the use of property, facilities, or personal services of a direct-support organization if such organization does not provide equal employment opportunities to all persons, regardless of race, color, religion, sex, age, or national origin.

(3) BOARD OF DIRECTORS.—The board of direc-

tors of the district school board direct-support organization shall be approved by the district school board.

(4) ANNUAL AUDIT.—The direct-support organization shall make provisions for an annual postaudit of its financial accounts, to be conducted by the district auditor in accordance with rules to be promulgated by the State Board of Education. The annual audit report shall include a management letter and shall be filed as a public record in the district. The State Board of Education and the Auditor General have the authority to require and receive from the organization or the district auditor any detail or supplemental data relative to the operation of the organization. The identity of donors and all information identifying donors and prospective donors are confidential and exempt from the provisions of s. 119.07(1), and that anonymity shall be maintained in the auditor's report. All other records and information shall be considered public records for the purposes of chapter 119. This exemption is subject to the Open Government Sunset Review Act in accordance with s. 119.14.

History.—s. 2, ch. 84-172; s. 1, ch. 88-155; s. 69, ch. 90-360.

Note.—

A. Repealed by s. 1, ch. 95-217.

B. Section 4, ch. 95-217, provides that "[n]otwithstanding any provision of law to the contrary, exemptions from chapter 119, Florida Statutes, or chapter 286, Florida Statutes, which are prescribed by law and are specifically made subject to the Open Government Sunset Review Act in accordance with section 119.14, Florida Statutes, are not subject to review under that act, and are not abrogated by the operation of that act, after October 1, 1995."