

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8090**  
**BILL NUMBER: SB 454**

**DATE PREPARED: Jan 17, 2001**  
**BILL AMENDED:**

**SUBJECT:** Board of Accounts Matters.

**FISCAL ANALYST:** Chuck Mayfield  
**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** This bill makes various changes concerning school accounting and school business officers.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The bill clarifies that schools may create defined contribution plans under 403(b) of the Internal Revenue Code along with the current 401(a) plans. Without this provision a school might have an audit exception when they create a 403(b) plan.

The bill clarifies that expenditures from the school extracurricular account can be paid in a similar manner as other school expenditures. Schools currently do not have to use claim vouchers for other school expenditures.

The bill clarifies that a local school does not have to hold a local board of finance meeting to select public depositories. School boards can select the depositories at their regular meetings.

The bill clarifies that, if the education license plate revenue is not placed in the Education Foundation Fund, it can be put into another fund but can not be used for salaries and fringe benefits. Current statute specifies that the funds cannot be used for General Fund purposes. The General Fund can be used for any purpose except transportation expenditures.

The bill clarifies that the school treasurer is not liable for an act or omission in connection with their duties

unless the act constitutes gross negligence or intentional disregard of their duties. The language protects a school treasurer from acts other individuals may have done. The language is consistent with civil statutes.

The bill specifies that, if a school receives a state grant requiring a local match, then a special fund does not need to be created. The local school accounting structure is sufficient to track the match requirements.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Board of Accounts.

**Local Agencies Affected:** Local School Corporations.

**Information Sources:**