

1 **Education and Workforce Development Cabinet**

2 **Kentucky Board of Education**

3 **Department of Education**

4 **(Amendment)**

5 **702 KAR 3:130. Internal accounting.**

6 RELATES TO: KRS Chapter 45A, 61.410, 66.480, 156.029, 156.076, 156.160, 156.200,
7 158.290, Chapter 160, 161.540, 161.560, 342.640, 424.260

8 STATUTORY AUTHORITY: KRS 156.070, 156.160

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070 (1) gives the Kentucky Board
10 of Education the management and control of the common schools. KRS 156.200 requires the
11 Kentucky Board of Education to regulate accounting procedures and reports of local school
12 districts. This administrative regulation establishes uniform procedures for the accounting of
13 school activity funds.

14 Section 1. Definition. "Activity funds" means [~~(1) Means~~] all school funds including funds
15 derived from fund raising activities sponsored under the auspices of the school[;] and does [~~(2)~~
16 ~~Does~~] not mean funds raised or received by organizations which do not come under the direct
17 supervision of school authorities.

18 Section 2. District Responsibilities. A district board of education shall have [~~(1) Have~~] the
19 responsibility for administration and control of all activity funds [;] and comply [~~(2) Comply~~]
20 with "Accounting Procedures for Kentucky School Activity Funds".

1 Section 3. Audits. (1) Activity funds internal accounts shall be audited annually by a certified
2 public accountant.

3 (2) Audit reports shall be reviewed and accepted by the local board of education and appropriate
4 action taken.

5 (3) Recommendations and exceptions listed in the audit shall be reviewed by staff of the
6 Department of Education, and a report shall be made to the local board of education [~~district~~
7 ~~Board of Education~~].

8 (4) A copy of the school audit report shall be on file in both the office of the principal and the
9 office of the superintendent of the local school district where it shall be open for public
10 inspection.

11 Section 4. Incorporation by Reference. (1) "Accounting Procedures for Kentucky School
12 Activity Funds", October 2012 [~~August 2007~~], is incorporated by reference.

13 (2) This document may be inspected, copied, or obtained, subject to applicable copyright law, at
14 the Department of Education, Division [~~Office~~] of District Support [~~Services~~], 15th Floor,
15 Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky, Monday through Friday, 8 a.m. to
16 4:30 p.m.