**Memorandum**

**To: Members of the Board**

**From: Vicki Goodlett, Finance Officer**

**RE: Fund 21 versus Fund 22**

**Two years ago when Redbook regulations were revised – KDE established two funds (Fund 21 and Fund 22) to deposit applicable funds received at the school into a district account. The purpose of moving those funds to a district account provides flexibility with expending the funds and avoids many of the restrictions of Redbook.**

**Originally, we chose to use Fund 22, to have the funds restricted. The recording and reporting in Fund 22 is very similar to the procedures for grants. After using this process for an entire year, I have found that the reports are not easy to read. In addition, we have established a very user friendly numbering system that would have to be revised for 2015-16 under KDE guidelines.**

**I talked with Mr. Adams during the tentative budget preparation about the drawbacks of using Fund 22 and have moved the district activity funds for 2015-16 to Fund 21. This will provide easier to read reports as well as keep our current numbering system.**

**We will request the board commit the funds in Fund 21 annually (no later than June 30th).**