



FPP: Chart of Accounts Discussion Item:

1. Question or Issue:

Pursuant to [HB 16-1354](#) in Colorado Revised Statutes, 22-45-103 (j), the following fund is created for each school district for supplemental capital construction, technology, and maintenance fund, as needed.

The revenue from a tax levied pursuant to section 22-54-108.7 for the purpose of providing ongoing cash funding for the capital construction, new technology, existing technology upgrade, and maintenance needs of a school district, and no other money other than interest and income credited to the fund pursuant to this paragraph (j), shall be deposited in the supplemental capital construction, technology, and maintenance fund of the district. The district may expend money from the fund only for the purpose of providing cash funding for capital construction, new technology, existing technology upgrade, and maintenance needs of the district and may not pledge any money in the fund for the repayment of any existing or new borrowing. All interest and income derived from the deposit and investment of money in the supplemental capital construction, technology, and maintenance fund shall be credited to the fund.

2. Any Prior FPP Action:

3. Discussion Points/Department Recommendation or Observations (if any)::

Given the wording of the statute, to isolate these activities for the stated purposes, it appears that a new fund should be established within the Statewide Chart of Accounts. Based on GASB Statement No. 54 definition of special revenue and capital project funds, it appears that either fund type may work. The possible issue with the capital project fund relates to what would be considered to be “capital outlays”. If capital outlays is determined based on the program category, would be OK to use a capital projects fund. If capital outlays is determined based on the object category, maintenance costs would not be considered to be appropriate. The GAAFR blue book would support the program category treatment. Looking at the optional usage of funds within the capital projects coding (44 to 49), no district reported the use of fund code 46 or 48 within the FY14-15 data file.

It is therefore recommended that fund code 46 be bolded for the specific use by the Supplemental Capital Construction, Technology, and Maintenance Fund as defined by statute.

4. FPP Action, Decision Made:

5. Further Action/Research Needed/Table for Future Meeting:

6. Effective Date:

Effective starting in FY16-17.

