

The board of education authorizes the establishment of any of the following special funds:

- I. Building or Site Fund. This fund may be used to acquire sites for school buildings, purchasing existing buildings for use as school buildings, including sites upon which future school buildings may be located, for the erection, alteration, equipping, or furnishing of school buildings, for the additions to school buildings for elementary and secondary grades, for any capital outlay expenditure as defined and set forth by the Nebraska statutes, and for no other purpose. The tax levy limit for this fund shall be restricted as set forth by Nebraska Statutes §79-10,120 or §79-1098.
- II. Hazardous Material Abatement/Handicapped Accessibility Fund. This fund may be used for the removal of environmental hazards and the reduction or elimination of accessibility barriers in the school district. The tax levy limit for this fund shall be restricted as set forth by Nebraska Statute §79-10,110.
- III. Cooperative Fund. This fund shall be used by the school district acting as the fiscal agent for any cooperative activity between two or more political subdivisions. The amount of money that may be attributed to material purchased and used by Gage County School District No. 34 shall also be coded in the appropriate General Fund expenditure activity.
- IV. Employee Benefit Fund. This fund shall be used to establish reserve General Fund money for the benefit of school district employees for unemployment compensation, early retirement, health insurance deductibles, etc. This fund shall be considered as a component of the General Fund.
- V. Depreciation Fund. This fund shall be used to facilitate the eventual purchase of any costly capital outlay by reserving money from the General Fund. Money in this fund shall be restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act or by similar legislation. This fund shall be considered as a component of the General Fund.
- VI. Contingency Fund. This fund shall be used to assist the school district to fund any uninsured losses and legal fees.  
  
Expenditures in this fund shall not exceed five percent of the total budgeted General Fund expenditures of the school district. Money in this fund shall be restricted as part of the Allowable Reserve by the Tax Equity and Educational Opportunities Support Act or by similar legislation.
- VII. Activities Fund. This fund shall be used to finance operations of quasi-independent student organizations, inter-school athletics, and other self-supporting or partially self-supporting school activities not a part of any other fund. The Activity Fund shall not be used to record general operation revenues or expenditures, nor shall the Activity Fund be used as a leading account for the General Fund.

The superintendent of schools is authorized to divide the Activities Fund into more than one account to allocate portions of this fund for different purposes. All activities must receive prior approval of the board of education. Since school activities are a responsibility of the school district any deficits incurred shall be paid from the General Fund. However, any payments from the General Fund to the Activity Fund must have prior approval of the board of education.

VIII. School Lunch Fund. This fund shall be used to accommodate the financial activities of the school district's Child Nutrition Programs. Any deficits incurred in the School Lunch Fund shall be paid from the General Fund. However, any payments from the General Fund to the School Lunch Fund must have prior approval of the board of education.

IX. Bond Fund. The bond fund shall be used to record tax receipts and payment of bond principle and interest. If the fund balance is not sufficient to meet interest or bond retirement payments from the Bond Fund, the General Fund shall be used for these payments. Any payments from the General Fund to the Bond Fund must have prior approval of the board of education. Revenue from a levy to retire school district bonds shall be retained by the county treasurer, the financial institution serving as a fiscal agent, or by the school district.

Annually, prior to placing money in any of these funds or prior to the expenditure of money from these funds, except for the Activity Fund, the superintendent of schools shall develop a budget of expenditures and receipts.

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| Legal Reference: | §79-10,120 | Fund for Sites and Buildings, Levy of Taxes.   |
|                  | §79-10,110 | Environmental Hazards, Local School Board Powers and Duties, Tax Levy Authorization. |