

**12-1663. Expenditures of federal aid by public agencies; expenditures of grants, gifts and other income by school districts; budget requirements, exceptions.** (a) Where any public agency receives federal aid through any federal agency for any purpose to be used alone or with funds of the public agency, such federal aid may be expended without regard to budget limitations and over, above or outside the budget, and such expenditures shall not be charged against the budget of the current or any other budget year of the public agency. Where a public agency spends from budgeted funds and later is reimbursed by federal aid, such expenditure from budgeted funds shall be a reimbursed expense and if received after the budget year, shall increase the current budget to the same amount unless the budget had anticipated and included the reimbursement as income.

(b) In addition to the requirements of subsection (a), a school district shall include all revenues and expenditures, including, but not limited to, federal aid and other grants, gifts and miscellaneous income, in all budget documents prepared by the school district, including documents submitted to the department of education. In order to account for such revenues and expenditures separately, each school district shall budget for federal aid and other grants and gifts, other than scholarships, received, which funds shall not be subject to limitations on the expenditure of moneys in such funds.

**History:** L. 1967, ch. 422, § 2; L. 2003, ch. 116, § 23; July 1.