

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

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The *Uniform Accounting Manual* for local and special districts in Utah was prepared to provide guidance in the budgeting, accounting, financial administration and financial reporting of special districts. The purpose, authority, and application of the manual are discussed in more detail in the introduction to the General Section of the *Uniform Accounting Manual*. Local districts are governed by a Uniform Fiscal Procedures Act for Local Districts. This Act provides uniform budgeting, accounting and financial reporting procedures for most local and special districts. A copy of the Act may be found on V.G. The Act exempts certain types of districts from the requirements of the Act since there are already similar types of requirements in other sections of the *Code* for these districts. Districts exempted include Community Development & Renewal Agencies, Public Transit Districts, Water Conservancy Districts, Metropolitan Water Districts and Conservation Districts. However, these districts will still be required to comply with the major aspects of the Act in budgeting and reporting requirements.

This manual contains two sections with each section being separated by colored tabs. Section I. (with yellow tabs) is the “General Section” which contains auditing, accounting and other financial information applicable to all local governments in Utah. Section V. (with orange tabs) is the “Uniform Accounting Manual for Local Districts” which addresses the budgeting, accounting and financial administration for districts. The following policy statement summarizes the basic budget and financial administration procedures for districts.

### LOCAL DISTRICT OPERATING PROCEDURES

#### BUDGET PROCESS

1. The governing board should appoint a budget officer. This person will be responsible for ensuring that no payments are made in excess of the approved budget.
2. Budget hearings and timetables for local districts are prescribed by the Uniform Fiscal Procedures Act for local districts in sections 17B-1-605 through 17B-1-611.
3. Budget changes
  - a. If operating as an enterprise fund with the majority of revenue coming from user fees, then the governing board may approve budget changes without public hearings.
  - b. A public hearing must be held before the budget can be increased in any other fund.

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### ADMINISTRATION

1. *Utah Code* Section 63-56 requires districts to have a purchasing policy and a purchasing agent. (See *Utah Code* Section 17B-1-618)
2. Where possible, the person receipting money should be separate from the person doing billings and maintaining accounts receivable and other accounting records. The person maintaining accounting records should reconcile what is deposited with information given them to post to accounts receivable records. If this separation of duties is not possible, then an overall reconciliation should be made monthly or quarterly by the administrator or a board member.
3. The governing board should approve all disbursements unless a financial administration ordinance or resolution is passed specifying the nature and maximum amount of disbursements that could be made without their approval.
4. Checks should be signed by the treasurer or any other person designated by the board. In districts with an expenditure budget of less than \$50,000 per year, a member of the governing body shall also sign all checks. Also, an optional person should be designated in the event of the absence of one of the two primary signatories.
5. In addition to the treasurer function of receipting money, other treasury functions such as investment of funds should be assigned.

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Local districts, like other state and local governmental units, must follow generally accepted governmental accounting principles as set forth by the Governmental Accounting Standards Board (GASB) (*Utah Code* Section 17B-1-603 and 51-2a-102). These principles are contained in the General Section of the *Uniform Accounting Manual* under the heading “GASB Principles.”

The difficulty with many local districts is determining what types of funds should be used for each type of district. Even in districts of the same type, different fund structures may be appropriate.

The decision as to what is the appropriate fund structure for a specific district is important in that it has a significant impact on budgetary procedures and financial reporting. It also impacts the basis of accounting and measurement focus to be used, i.e., when to report revenues and whether to record depreciation expense.

### ENTERPRISE FUNDS

“Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Activities are required to be reported as enterprise funds if any one of the following criteria is met. Governments should apply each of these criteria in the context of the activity’s principal revenue sources.

- a. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity. Debt that is secured by a pledge of net revenues from fees and charges and the full faith and credit of a related primary government or component unit—even if that government is not expected to make any payments—is not payable solely from fees and charges of the activity. (Some debt may be secured, in part, by a portion of its own proceeds but should be considered as payable “solely” from the revenues of the activity.)
- b. Laws or regulations require that the activity’s costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).” (*GASB Codification* Section 1300.109)

Many districts should be accounted for as enterprise funds based on the above definition. Service areas, special service districts, improvement districts, metropolitan water districts, and others that provide services that are financed with user charges should be accounted for as enterprise funds. Other types of districts, such as water conservancy districts, may meet the above criteria and, therefore, should be accounted for as enterprise funds or as a combination of enterprise and governmental fund types depending upon the nature and activities of the district.

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Districts accounted for as enterprise funds are required to depreciate fixed assets and to otherwise fully cost all services provided.

### GOVERNMENTAL FUNDS

Governmental Fund reporting focuses primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. The governmental fund category includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental funds assets and liabilities, the fund equity, is referred to as "Fund Balance".

Financial statements for governmental funds should be presented using the current financial resources measurement focus and the modified accrual basis of accounting, as the terms are discussed in GASB Codification Section 1600. The governmental fund measurement focus is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources).

The financial statements required for governmental funds are a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements may be supported or supplemented by more detailed schedules. (*GASB Codification* Section 1300.102)

Districts which are financed almost exclusively by property taxes would normally use appropriate governmental fund types. This would include districts such as Improvement Districts and others that provide police, library, planning, streets, lighting, flood control, etc.

### FIDUCIARY FUNDS

"Fiduciary fund reporting focuses on net assets and changes in net assets. Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds should be used to report resources held and administered by the reporting government when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished from agency funds generally by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

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Financial statements of fiduciary funds should be reported using the economic resources measurement focus and the accrual basis of accounting except for the recognition of certain liabilities of defined benefit pension plans and certain post-employment healthcare plans.” (*GASB Codification* Section 1300.102)

Some districts, such as cemetery maintenance districts, may have fiduciary fund types in addition to their operating or general fund.

The decision as to what fund types are appropriate should be made after reviewing the nature and purpose of the district, the financial measurement focus (“net income” versus “source and disposition” of funds), and the fund types used by districts providing similar services. Your legal counsel, independent auditor, and others including the Local Government Division of the State Auditor’s Office, would be appropriate sources of guidance on this decision.

To provide uniformity as charged by the State Legislature, the State Auditor may specify a particular fund accounting to a district that it has determined is not appropriately classified in accordance with generally accepted accounting principles.

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### BUDGETARY PROCEDURES

All districts must adopt a budget after public notice and hearing. However, the format of the budget and procedures for modifying and amending the budget would vary depending on the fund structure and specific legal requirements. In general, governmental funds require a public hearing before a budget may be increased from that originally adopted. However, enterprise funds can normally be increased without a public hearing.

It is suggested that a public hearing be held where possible before the budget is amended even if the law does not specifically require it. This may help resolve one of the primary complaints of citizens concerning districts lack of visibility.

### FINANCIAL REPORTING

The format of the financial statements as well as the focus of what the financial statements are intending to reflect is also impacted by the fund structure.

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**Reference:** V. B.03  
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**Subject:** Chart of Accounts  
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Because of the diversity of districts, a standard chart of accounts is not provided in this section. However, districts are encouraged to follow the appropriate master chart of accounts for various funds as provided in section I.C.07 or the simplified chart of accounts for smaller districts in section I.C.10.

The primary purpose of a standard chart of accounts is to provide uniform classification of revenues and expenditures. Recognizing the legislative intent for uniformity among local governmental units, this area will be studied in more detail and if warranted, a uniform chart of accounts may be provided.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. C.01  
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**Subject:** Budgetary Procedures - Introduction  
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The significance of a district's budget process cannot be overemphasized. The budget process is an essential element in the financial planning, control and evaluation of a district and it provides the opportunity for those citizens paying for governmental services to be heard by their elected or appointed representatives. Recognizing the significance of the budget process, the Utah Legislature has set forth laws that define the budget process which special districts are required to follow. These laws provide protection for both the taxpayers and the elected and appointed officials. The Uniform Fiscal Procedures Act for Local Districts contains those laws. For ease of understanding, the laws pertaining to the normal budget process have been summarized on the following pages. The complete text of these laws is contained in *Utah Code*. Where a district has specific laws relating to their budget process, they are included in the specific district fiscal laws section of this manual.

The district's budget may be prepared by any person so designated by the board but the budget must be approved by the board. The board should also designate someone as a budget officer for the purpose of ensuring that no expenditures are made in excess of amounts budgeted.

The budget laws recognize the benefits of uniform budgets which can be compared from one year to the next and which can also be compared with similar districts. The State Auditor is charged with providing these uniform budget forms and ensuring that they are completed and on file in the State Auditor's office for inspection. Copies of the budget forms and instructions for their use are found in Section V. C.07 of this manual.

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**Reference:** V. C.02  
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**Subject:** Summary of Budget Procedures and Timetable - Districts Operating with Governmental Fund Types Structure  
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Refer to section V. F for budget laws unique to a particular district type, maximum property tax rate limits, etc.

The following summary should be reviewed and understood by all district board members and officials. Officials directly involved in the budget approval and modification processes should become familiar with the complete text of these budget laws, as well as all other budgetary procedures and laws discussed in this section of the manual.

In 1985 and 1986 the Legislature passed two bills relating to “truth in taxation” which will affect districts in the requirements and procedures necessary in budgeting and setting property tax levies. These items are covered in more detail in section I. B.02 (General Section).

## PROCESS AND TIMETABLE

<u>PREPARATION AND ADOPTION</u>	<u>CODE SECTION</u>
1. A tentative budget must be prepared for the following fund(s): general, special revenue, debt service, capital projects, and enterprise.	17B-1-605
If an enterprise fund budget contains amounts to subsidize Other funds of the unit (in excess of reasonable allocation of Costs), all enterprise fund customers must be notified <u>in writing</u> of the date, time, place and purpose at least 7 days prior to hearing. This written notice is in addition to the newspaper advertisement in number 5.	17B-1-629(3)(a)
2. The budgeted revenues and expenditures must balance, except in enterprise funds. (This means no property tax can be levied unless there is a budgeted purpose for its use.)	17B-1-606
3. Tentative budget to be presented to governing body (board) on or before the first regularly scheduled meeting of the governing body in November for a calendar year entity and May for a fiscal year entity.	17B-1-607

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4. Each independent district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and notice of the time and place for its budget hearing to each of its constituent entities and to each of its customer agencies, if requested to do so in writing, by the constituent entity or customer agency. 17B-1-702(1)

A constituent entity (entity) is any county, city, or town that levies property taxes within the boundaries of the district.

A customer agency (agency) means those governmental entities, except school districts, institutions of higher education, and federal government agencies that purchase or obtain services from the special district.

The district shall include with the tentative budget a signature sheet that includes: language that the entity or agency received the tentative budget and has no objection to it; and, a place for the chairperson or other designee of the entity or agency to sign.

If the entity or agency that receives the tentative budget has not returned the signature sheet within 15 calendar days after the tentative budget was mailed, the district shall send a written notice of the budget hearing to each entity or agency that did not return a signature sheet and invite them to attend its budget hearing. 17B-1-702(3)

If requested to do so by any entity or agency, the district shall schedule a meeting to discuss the budget with the entity or agency. At that meeting the district shall explain its budget and seek to resolve any objections.

Nothing in this bill shall prevent any district board from approving or implementing a budget over any and all entity or agency objection, protest or failure to respond. 17B-1-702(4)

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This procedure must happen within 30 days after the board approved the tentative budget and at least 30 days before approval of the final budget. 17B-1-702(1)

5. The tentative budget shall be available for public inspection for at least seven days prior to the public hearing. 17B-1-608
6. Public notice of a budget hearing must be published in a newspaper of general circulation at least seven days prior to the meeting. (May be posted in three public places if no newspaper is available.) 17B-1-609

NOTE: Refer to the General Section, I. B.02 and *Utah Code* Section 59-2-918 and 919 for additional disclosure requirements in the case of increased property tax revenues.

7. A public hearing is to be held at which all interested persons shall be given an opportunity to be heard. 17B-1-610
8. After the public hearing the governing body shall consider all input and may make final adjustments to the budget. 17B-1-611
9. Prior to the beginning of the fiscal year the final budget is adopted by the governing body and submitted to State Auditor. One copy is made available for public inspection. 17B-1-614 & 615

*Utah Code* Section 59-2-924(3) requires adoption of a tentative budget on or before June 22. Calendar year entities report previously adopted budgets. The proposed tax rate must also be adopted by June 22 and submitted to the county auditor. If there will be no increase in the certified tax rate, a final tax rate is adopted on or before June 22 (and final budget on or before by June 22 by entities on a June 30 fiscal year.) Calendar year entities have already adopted final budgets the preceding December.

If the district sets a proposed tax rate which exceeds the certified tax rate, it shall not adopt its final budget until the public hearing specified in Section 59-2-919 has been held. This requirement applies to calendar year entities as well as fiscal year entities. A budget which anticipates an increase in the tax rate cannot be passed until a tax rate increase hearing has been held. Until the hearing is held and a final budget and tax rate are adopted, taxing districts using a fiscal year may expend monies based on: (1) its tentative budget after adoption, or (2) its prior year's adopted final budget as amended, which must be re-adopted by resolution at a regular meeting of the governing body. August 17 is the latest possible date for final adoption of a budget by fiscal year entities in the case of an increase in the certified tax rate.

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10. A copy of the final budget is to be filed with the State Auditor within 30 days of adoption. 17B-1-614

### BUDGET MODIFICATIONS

#### TRANSFERS

1. Transfer from one expenditure account to another within a fund may be made in compliance with policies established by the governing body. 17B-1-620

### BUDGET MODIFICATIONS

#### INCREASES:

2. Districts are required to follow the notification and hearing requirements specified in *Utah Code* Sections 17B-1-609 and 17B-1-610 in order to increase any fund (except the enterprise fund which does not require a hearing to increase). See numbers 5 and 6 above. 17B-1-621

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The process for the original adoption of a budget by districts operating as enterprise funds is the same as for those with a governmental fund type structure. Please refer to the process for the budget preparation and adoption as noted in section V. C.02. However, there are basic differences in the budget procedures for enterprise funds.

First, the measurement of revenues and expenses is on a full accrual basis similar to a private business. The intent of the budgeting and financial reporting is to measure the profit or loss from operations. Accordingly, when assets are acquired they are capitalized and then depreciated over their useful life. This depreciation expense must then be budgeted as an expense even though no cash outlay is required. Conversely, the principal payment on outstanding bonds is not an expense even though a cash outlay is required.

Another difference in the budget process is in the modification or amendment of the enterprise fund budget. This can be done by the district board without a public hearing. However, such a hearing is recommended, when circumstances allow, to enable participants the opportunity to provide input.

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**Reference:** V. C.04  
**Page:** 1 of 1  
**Subject:** Fund Deficits  
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Some districts find themselves with a deficit fund balance in the general fund and believe that, in accordance with *Utah Code* Section 17B-1-613(3), they can appropriate five percent of their general fund revenues per year to pay off this deficit. The State Auditor has taken the position that if the deficit was an illegally created deficit (i.e., expenditures in excess of that budgeted), the total deficit should be appropriated in the following fiscal year. This requirement applies to all districts.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. C.05  
**Page:** 1 of 1  
**Subject:** Emergency Expenditures  
**Effective Date:** 1 April 1986  
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*Utah Code* Section 17B-1-623 provides the governing body the authority to increase expenditures without a public hearing, and even incur a deficit in the fund balance of the general fund in the case of an emergency. The definition of an emergency as set forth in the law is restrictive to such things as natural calamities. Therefore, the authority provided by this section may not be used for other reasons, such as to cover unbudgeted expenditures that may be more prudently made now than in the future.

17B-1-623. Emergency expenditures. The board of trustees of a local district may, by resolution, amend a budget and authorize an expenditure of money that results in a deficit in the district's general fund balance if:

- (1) the board determines that:
  - a. an emergency exists; and
  - b. the expenditure is reasonably necessary to meet the emergency; and
- (2) the expenditure is used to meet the emergency.

As previously noted, those districts operating as enterprise funds are not required to hold a public hearing to increase expenditures from the amount budgeted.

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**Reference:** V. C.06  
**Page:** 1 of 1  
**Subject:** Interfund Loans  
**Effective Date:** 1 April 1986  
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*Utah Code* provides for loans by one fund to another for districts.

17B-1-626. Loans by one fund to another. Subject to restrictions imposed by bond covenants, statute, or other controlling regulations, the governing body of a local district may authorize interfund loans from one fund to another at interest rates, repayment terms, and conditions prescribed by the governing body.

These loans may not be made for the purpose of covering an operating deficit in any of the funds of the district that were incurred in violation of budgetary laws.

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**Reference:** V. C.07  
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**Subject:** Budget Form Instructions  
**Effective Date:** 1 April 1987  
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The *Utah Code* requires the State Auditor to prepare and supply each governmental unit with suitable budget, accounting, auditing and reporting forms. State law requires the governmental unit to use these forms in the preparation of the tentative budget. When adopted, the budget is to be certified by the budget officer and filed with the State Auditor within 30 days after adoption.

Budget forms are no longer mailed to each district; these forms are now available on the internet at <http://www.sao.utah.gov/lgForms.html>. The completed budget forms should be returned to the State Auditor's Office in accordance with *Utah Code*.

Questions are frequently received about the necessity of using the budget forms when governmental units have their own computerized budget process which provides printouts in a different format than these forms. This is a very legitimate concern, but it needs to be considered in relation to the intent and purpose of uniformity. Many different citizens' groups, research organizations and other groups use these forms for analysis and research purposes. Because of their needs and the intent of the law, the budget forms or a computer printout with the same information and format must be filed with the State Auditor's Office. For tentative budget purposes, the districts may use their own forms, but when requested by citizens or other users, the district must provide the budget to them in the format required by law.

State law requires that three comparative years be provided in the budget. Columns for prior year actual, current year estimate, and ensuing year budget are provided on each budget form. This information, set out in columns, is helpful to district officials and the public by providing historical perspective.

A "certification of budget" form is required to be submitted with each budget. This notarized form certifies that the attached budget is a true and correct copy of the budget as adopted and that appropriate notification and hearing requirements were met.

Additional budget instructions are available on the internet. Please contact the State Auditor's Office (801-538-1025) or your independent auditor if you have any questions about these forms or require assistance in completing them.

As discussed in previous sections of this manual, districts may use various fund types for recording and reporting their financial activity. The decision as to what is the appropriate fund structure for a specific district is important in that it has a significant impact on budgetary procedures and financial reporting. It also impacts the basis of accounting and measurement focus to be used. The budget forms include the various different fund types. Only those fund types applicable to the budgeting entity need be used. The rest of the pages with unused fund types may be left blank or discarded.

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Community developmental and renewal agencies should be budgeted as separate legal entities using the budget forms available on our web-site.

Associations of government should be budgeted as separate legal entities using the budget forms available on our web-site.

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**Reference:** V. D.01  
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**Subject:** Interim Financial Reports  
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*Utah Code* Section 17B-1-638, prescribes quarterly interim reporting requirements for districts.

17B-1-638. Quarterly financial reports required. The district clerk or other delegated person shall prepare and present to the board detailed quarterly financial reports showing the financial position and operations of the district for that quarter and the year to date status.

All financial statements made pursuant to this section shall be open for public inspection during regular business hours.

These interim financial reports are critical to the fiscal management of a district. The budgetary controls under which district officials are required to operate cannot be monitored by the governing body and other affected officials without interim financial reports. Also, accurate and timely interim financial reports are necessary for the governing body to be able to monitor the overall financial condition of their district.

The interim financial reports presented on pages 1 and 2 of Section V.D.02 are for illustrative purposes. Any changes can be made to suggested formats as long as the interim financial reports are presented to the governing body at least quarterly with at least the same level of detail as the adopted budget.

ILLUSTRATED INTERIM FINANCIAL REPORT  
AND COMPARISON WITH THE BUDGET  
Governmental Fund Types  
(General, Special Revenue, Debt Service, Capital Projects)

\_\_\_\_\_ FUND

FOR THE \_\_\_\_\_ MONTH(S) ENDED \_\_\_\_\_

	Annual Budget	Current Period	Year to Date	Percent of Budget	
				Current Year	Prior Year
REVENUES:					
Property taxes	_____	_____	_____	_____	_____
Other taxes	_____	_____	_____	_____	_____
Fee in Lieu of Taxes	_____	_____	_____	_____	_____
Charges for Services	_____	_____	_____	_____	_____
Interest Income	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL REVENUES	_____	_____	_____	_____	_____
EXPENDITURES:					
Salaries and Benefits	_____	_____	_____	_____	_____
Other Operating Expenses	_____	_____	_____	_____	_____
Debt Service	_____	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL EXPENDITURES	_____	_____	_____	_____	_____
Excess of revenues over (under) expenditures	_____	_____	_____	_____	_____
OTHER FINANCING SOURCES & USES:					
Transfers from (to) other funds	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
TOTAL OTHER FINANCING SOURCES & USES	_____	_____	_____	_____	_____
Excess of revenues over (under) expenditures & other sources & uses	=====	=====	=====	=====	=====

ILLUSTRATED INTERIM FINANCIAL REPORT  
AND COMPARISON WITH THE BUDGET  
Enterprise and Similar Fund Operations

\_\_\_\_\_ FUND

FOR THE \_\_\_\_\_ MONTHS ENDED \_\_\_\_\_

	Annual Budget	Current Period	Year to Date	Percent of Budget	
				Current Year	Prior Year
REVENUES:					
Charges for services	_____	_____	_____	_____	_____
Interest	_____	_____	_____	_____	_____
Contributions/Grants	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
<b>TOTAL REVENUES</b>	_____	_____	_____	_____	_____
EXPENSES:					
Personal services	_____	_____	_____	_____	_____
Contractual services	_____	_____	_____	_____	_____
Materials & supplies	_____	_____	_____	_____	_____
Utilities	_____	_____	_____	_____	_____
Depreciation	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
<b>TOTAL EXPENSES</b>	_____	_____	_____	_____	_____
Transfers from (to) other funds	_____	_____	_____	_____	_____
Net income	_____	_____	_____	_____	_____
Beginning retained earnings	_____	_____	_____	_____	_____
Ending retained earnings	=====	=====	=====	=====	=====

Reconciliation of Accounts Receivable  
Customer Charges and Collections

Accounts receivable - beginning of period	\$ _____
ADD: Billings this period	\$ _____
(LESS): Collections this period	\$ _____
Accounts receivable - end of period	\$ _____

# STATE OF UTAH UNIFORM ACCOUNTING MANUAL

**Reference:** V. D.03  
**Page:** 1 of 1  
**Subject:** District Financial Reporting Entity  
**Effective Date:** 1 April 1986  
**Revision Date:** 1 February 2009

The term “reporting entity” refers to the concept of what activities, organizations, and functions are to be included in the financial report of a governmental unit. Because of the method of creation and organization of local districts, the question of reporting entity is important. This includes consideration of what should be included in the financial report of the district and whether the district should be included in the financial statements of the governmental unit that created it.

Included in the General Section of the manual under “Auditing and Financial Reporting Requirements”, is a discussion on the “reporting entity”. This section should be reviewed with the district’s independent auditor prior to beginning the annual audit. Questions in this regard should be referred to the Local Government Division of the State Auditor’s Office. Reference should also be made to the “Specific District Laws” section of the manual where some comments are made regarding the reporting entity.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. D. 04  
**Page:** 1 of 3  
**Subject:** Annual Financial Reports  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 February 2009

The financial statements represent the final product of the entire process of accounting techniques and procedures employed to record the financial transactions of a district. They provide the administrative officials, the local citizenry, state and federal officials, etc., the tools to analyze and appraise the financial condition of a district and the results of its operations for a given period or periods of time. The financial statements of districts are also reviewed and studied for a variety of other reasons, including energy related and other impact issues and for comparing taxes and cost of services of one locality to another.

It is important that the financial statements of the districts be uniform for the reasons listed above. Also, the concept of uniform budgeting, accounting and financial reporting are stressed in several sections of the *Utah Code*.

Section I.C. (General Section) of this manual sets forth the requirements for financial reports to be in accordance with generally accepted accounting principles (GAAP) and also sets forth additional State or Federal compliance reporting requirements. Also provided are references to illustrative financial statements which are not provided in this section of the manual.

Some local districts have a unique financial reporting problem in that the type of financial statement presentation that may appear most appropriate during the development/construction phase, is not consistent with the long term operating objectives of the district. A district should review the section of the manual entitled "Determination of Fund Structure" (Section V.B.01). After reviewing this section and consultation with appropriate financial and/or legal counsel, a district should determine the appropriate operating structure. The financial statements of a district should then be presented consistent with the appropriate operating fund structure.

*Utah Code* Sections 17B-1-639 & 640, set forth the requirements for annual financial reports to be prepared, presented and filed by local districts. These sections allow this requirement to be met "by the presentation of the audit report furnished by the independent auditor".

*Utah Code* Section 51-2a-201 & 202 requires an audit to be performed and submitted to the State Auditor's Office by all political subdivisions, interlocal organizations, and other local entities.

*Utah Code* Section 17B-1-703 requires the board of each local district with an annual budget of \$50,000 or more to send a copy of its audit report to each of its constituent entities (entity) and each of its customer agencies (agency) within 30 days after the report has been presented to the board, if requested, in writing, by the entity or agency.

Constituent entity means any county, city, or town that levies property taxes within the boundaries of the district.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. D. 04  
**Page:** 2 of 3  
**Subject:** Annual Financial Reports  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 February 2009

Customer agency means those governmental entities, except school districts, institutions of higher education, and federal agencies that purchase or obtain services from the local district.

Any entity or agency wishing to discuss the audit report or the district's plans to implement suggestions made by the auditor shall be given an opportunity to do so.

*Utah Code* Section 51-2a-201 provides that with the approval of the State Auditor, smaller governmental units may be exempted from the requirement to have an audit but they are still required to prepare or have prepared a financial report and file that report with the State Auditor's Office within six months after the end of the fiscal year. *Utah Code* Section 51-2a-201 provides the following:

1. The governing board of an entity whose revenues or expenditures of all funds is \$350,000 or more shall cause an audit to be made of its accounts by a competent certified public accountant.
2. Unless otherwise required by the state Auditor under Section 51-2a-301, the governing board of an entity whose revenues or expenditures of all funds is at least \$200,000 but less than \$350,000, shall cause a review to be made of its accounts by a certified public accountant.
3. Unless otherwise required by the state auditor under Section 51-2a-301, the governing board of an entity whose revenues or expenditures of all funds is at least \$100,000 but less than \$200,000 shall cause a compilation to be made of its accounts by a certified public accountant.
4. Unless otherwise required by the state auditor under Section 51-2a-301, the governing board of an entity whose revenues and expenditures of all funds is less than \$100,000 shall cause a fiscal report to be made on forms provided by the state auditor.

These forms consist of two statements - a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance. Although the format of these statements, as presented, is NOT in accordance with all requirements of generally accepted accounting principles, they should provide sufficient disclosure for smaller governmental units.

Both the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance have columns for several fund types. These are used on an "as needed" basis.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. D. 04  
**Page:** 3 of 3  
**Subject:** Annual Financial Reports  
**Effective Date:** 1 April 1987  
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The State Auditor's Office will not mail a copy of the small district financial statement forms to districts. These forms are available on the internet at <http://www.sao.utah.gov/lgForms.html>. Many districts will not use these forms and will be making arrangements with qualified independent CPA firms to have an audit, review, or compilation conducted.

A compilation of financial statements consists of presenting the financial information applicable to the districts in a format that is in conformance with generally accepted accounting principles. Use of the proper format will allow comparability with financial statements of other districts and provide the needed financial information for research, monitoring, and other purposes. No testwork, however, is performed by the certified public accountant and the amounts and contents of the financial statements are strictly the representations of the districts' officials.

A review report is substantially the same as a compilation. However, there is additional inquiry and analytical procedures performed on the financial statements which "provide the accountant with a reasonable basis for expressing limited assurance that there is no material modification that should be made to the statements in order for them to be in conformity with Generally Accepted Accounting Principles...".

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. D.05  
**Page:** 1 of 2  
**Subject:** Financial Statement Presentation of Budget Information  
For Governmental Fund Types  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 February 2009

The following guidance, regarding the presentation of the budget information in the financial statements, is applicable to districts operating as a governmental fund types entity.

1. *GASB Codification* Section 2400 requires the presentation of budget to actual information “for the general fund and for each major special revenue fund that has a legally adopted annual budget.” Governments are encouraged to present such budgetary comparison information either in schedules as part of RSI or in the body of the financial report immediately after the governmental fund’s Statement of Revenues, Expenditures and Changes in Fund Balance. The budgetary comparison schedule should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances. A separate column to report the variance between the final budget and actual amounts is encouraged but not required. If the budgetary comparison information is included in the basic statements, disclosures discussed in this section should be in the notes to the financial statements rather than as notes to RSI.

A potential problem exists in reporting budgets for capital projects that extend beyond one fiscal year. A capital project budget for projects extending beyond one year would be set depending upon the available financial resources to be expended. If the money to be spent is already set or will be within the current budget year, then the total amount of the capital project would normally be budgeted in one year. The amount to be presented would be the unexpended balance of ongoing projects. If revenue is to be provided each year for that year’s expenditures, then the project would need to be budgeted each year for the allowable expenditures and only the current year’s budgeted expenditures would be reflected.

2. Several questions have been raised regarding the presentations of this budgetary comparison information in the annual audit report.
  - a. How should budget information be shown to reflect a balanced budget as required by *Utah Code* Section 17B-1-606, when accumulated beginning fund balance is being used to finance part of the expenditures? (Fund balance usage in the general fund is restricted by Section 17B-1-612 which also sets forth requirements for usage of excess fund balance.)

For governmental fund types other than the general fund, *Utah Code* Section 17B-1-612 does not preclude the usage of fund balance to finance expenditures. However, to comply with the intent of Section 17B-1-606 any usage of fund balance should be budgeted as an available resource for appropriation purpose. Even though it is treated as a budgeted resource in the budget process, the usage of beginning fund balance to help finance expenditures for these fund types should not be reflected as revenues or resources on this budget presentation. In the general fund, as in other budgeted governmental fund types, the usage of fund balance to finance expenditures should be reflected after all revenues, expenditures, and other financing

# STATE OF UTAH UNIFORM ACCOUNTING MANUAL

**Reference:** V. D.05  
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**Subject:** Financial Statement Presentation of Budget Information  
For Governmental Fund Types  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 February 2009

sources and uses are presented. This line should be entitled “Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses”.

However, in the general fund, because of the restriction of Section 17B-1-612, a brief explanation should either be given after this heading or footnote disclosures made of what fund balance is being used to finance expenditures. Possible explanations could be: general fund - usage of excess fund balance as statutorily required; or general fund - usage of reserved “road fund” balance.

- b. How should this budget presentation reflect more budgeted revenues and other sources than budgeted expenditures and other uses? (In other words, a budgeted increase in fund balance.)

Again, no special treatment or disclosure is required on this budget presentation for governmental fund types other than the general fund since the accumulation of fund balance in these fund types is not restricted. However, as noted above, a planned increase in fund balance should be treated in the local district budget process as a usage of financial resources in order to comply with the intent of *Utah Code* Section 17B-1-606. In the general fund an excess of budgeted revenue and other sources over budgeted expenditures and other uses may reflect a local district’s desire to increase their unreserved fund balance or it may reflect the fact that more restricted revenues are received in one year than the district anticipates spending (for example, state allocated road funds). Since Section 17B-1-612 restricts the accumulation of fund balance in the general fund, any budgeted increase in the fund balance should be explained in this budget presentation or in the footnote disclosure. Possible explanations could be: general fund - increase in reserved “road funds” balance; or general fund - budgeted increase in unreserved fund balance.

**STATE OF UTAH**  
**UNIFORM ACCOUNTING MANUAL**

**Reference:** V. E. 01  
**Page:** 1 of 1  
**Subject:** Investment of Public Funds  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 December 2006

SEE SECTION I.D.06 FOR INFORMATION ON INVESTMENT OF PUBLIC FUNDS

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 02  
**Page:** 1 of 1  
**Subject:** Purchasing Procedures  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 February 2009

The 1980 Utah State Legislature modified the “Utah Procurement Code” and exempted local governmental units from most, but not all of the provisions of the act. The provisions which local governmental units are subject to are listed in *Utah Code* Section 63G-6-104.

All local districts are required to adopt by ordinance or resolution formal purchasing procedures. It is recommended that guidelines be established for the purchase of materials, services, etc. A model purchasing policy is included in this manual at V.E.02.01.

Districts are encouraged to take advantage of the purchasing power of the State by purchasing goods or services under Utah State purchasing contracts. In addition to reduced prices, districts can save time by not having to price shop for items covered by State contracts. Additional information concerning this program can also be obtained through the State Purchasing Division, Room 3150, State Office Building, Salt Lake City, UT, 84114 (538-3026).

Districts are also encouraged to be aware of the availability of surplus property that may be purchased through the State Agency for Surplus Property, 447 West 13800 South, Draper, Utah (619-7200).

## STATE OF UTAH UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 02.01  
**Page:** 1 of 6  
**Subject:** Model Purchasing Policy  
**Effective Date:** 1 April 1997  
**Revision Date:** 1 February 2009

The following model purchasing policy is available for your convenience as a starting point for your entity to develop its own policy.

You will note that the model is not all inclusive, but we believe it includes the most important and most frequently required elements of a procurement policy. We tried to keep the model both clear and simple.

We strongly recommend that each entity tailor its policy to suit its needs. If you would like additional information, please refer to *Utah Code* Section 63G-6.

**MODEL PURCHASING POLICY FOR DISTRICTS****ARTICLE 1  
GENERAL PROVISIONS**

- A. The underlying purposes of this policy are:
1. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with the \_\_\_\_\_ District.
  2. To provide for the greatest possible economy in District procurement activities.
  3. To foster effective broad-based competition within the free enterprise system to ensure that the District will receive the best possible service or product at the lowest possible price.
- B. Compliance - Exemptions from this policy.
1. This policy shall not prevent the District from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
  2. When a procurement involves the expenditure of federal assistance funds, the District shall comply with applicable federal law and regulations.
- C. Definitions.
1. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
  2. "Change order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without the consent of the contractor or any written alteration in specifications, delivery point, rate of deliver, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
  3. "Contract" means any District agreement for the procurement or disposal of supplies, services, or construction.
  4. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
  5. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
  6. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
  7. "Purchasing agent" means the person duly authorized by the governing body of the District to enter into and administer contracts and make written determinations with respect thereto.

8. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
9. "Request proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

ARTICLE 2  
OFFICE OF THE PURCHASING AGENT

The governing body of the District shall appoint a Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations for the District.

ARTICLE 3  
SOURCE SELECTION AND CONTRACT FORMATION - GENERAL PROVISIONS

- A. Purchases not requiring sealed bids.
  1. Purchases costing less than \$\_\_\_ in total, shall not require bids of any type. (Purchases shall not be artificially divided so as to constitute a small purchase under this section.)
  2. Purchases costing more than \$\_\_\_ but less than \$\_\_\_ in total, shall require \_\_\_ (2 to 3) telephone bids.
  3. Purchases made through the cooperative purchasing contracts administered by the State Division of Purchasing.
  4. Purchases made from a single-source provider.
  5. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare, or safety. However, as much competition as practical should be obtained; and, such purchases should be limited to amounts necessary to the resolution of the emergency.
- B. Purchases requiring sealed bids.
  1. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
  2. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least \_\_\_ days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
  3. Any procurement in excess of \$\_\_\_ shall require a legal notice in a local newspaper of general circulation.

4. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the District or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the purchasing agent.
7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

C. Cancellation and rejection of bids.

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of the District. The reasons shall be made part of the contract file.

D. Use of competitive sealed proposals in lieu of bids.

When the purchasing agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive sealed proposals. Competitive sealed proposals are most appropriately used for professional service-type contracts.

1. Proposals shall be solicited through a request for proposals. Public notice of the request for proposals shall be given at least \_\_\_ days prior to the advertised date of the opening of the proposals.
2. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.
3. The request for proposals shall state the relative importance of price and other evaluating factors.
4. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revisions of proposals, and revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

5. Award shall be made to the person whose proposal is determined, in writing, to be the most advantageous to the District, taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.
- E. Architect-Engineer services are qualification-based procurements. Requests for such services should be publicly announced. Contracts should be negotiated by the district based on demonstrated competence at fair and reasonable prices. See *Utah Code* Section 63G-6-701 through 705.
- F. Determination of nonresponsibility of bidder.

Determination of non-responsibility of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to the bidder or offeror. Information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the purchasing division without prior written consent by the bidder or offeror.

- G. Cost-plus-a-percentage-of-cost contracts prohibited.

Subject to the limitations of this section, any type of contract which will promote the best interests of the District may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the District than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

- H. Required contract clauses.
  1. The unilateral right of the District to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.
  2. Variations occurring between estimated quantities of work in a contract and actual quantities.
  3. Suspensions of work ordered by the District.

#### ARTICLE 4 SPECIFICATIONS

All specifications shall seek to promote overall economy and best use for the purposes intended and encourage competition in satisfying the District's needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article, Utah products shall be given preference.

ARTICLE 5  
APPEALS

- A. Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the purchasing agent. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts.
- B. The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decisions shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing board.
- C. The District's governing board shall be the final appeal on the District level.
- D. All further appeals shall be handled as provided in the *Utah Code* Section 63G-6-811 through 820.

ARTICLE 6  
ETHICS IN PUBLIC CONTRACTING

- A. No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.
- B. Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to the District.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 03  
**Page:** 1 of 1  
**Subject:** Financial Administration Ordinance  
**Effective Date:** 1 April 1986  
**Revision Date:** 1 February 2009

The governing authority of a local district is required to approve all payments unless other procedures have been adopted in compliance with *Utah Code* Section 17B-1-642, (see below). This section provides that the governing board may authorize a person to act as the financial officer for the purpose of approving certain routine expenditures. However, this section still requires the governing body to review these expenditures at least quarterly. Districts should review their financial operations and, if appropriate, appoint a financial officer to perform these duties.

17B-1-642. Approval of district expenditures.

- (1) The board of trustees of each local district shall approve all expenditures of the district except as otherwise provided in this section.
- (2) The board of trustees may authorize the district manager or other official approved by the board to act as the financial officer for the purpose of approving:
  - (a) payroll checks, if the checks are prepared in accordance with a schedule approved by the board; and
  - (b) routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials.
- (3) Notwithstanding Subsection (2), the board of trustees shall, at least quarterly, review all expenditures authorized by the financial officer
- (4) The board of trustees shall set a maximum sum over which all purchases may not be made without the board's approval.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 04  
**Page:** 1 of 2  
**Subject:** Record Keeping Requirements and Internal Controls  
**Effective Date:** 1 April 1986  
**Revision Date:** 1 February 2009

The record keeping requirements discussed in this section refer to the financial transactions of the district. However, there are other records of a non-financial nature that must be maintained. Reference should be made to the records retention requirements discussed in Section V.E.05 for both financial and non-financial records.

The accounting systems for districts range from hand posted ledgers to computers. Accordingly, specific forms and procedures for maintaining the accounting records are not mandated and presented in this manual.

Regardless of what forms, procedures, and account numbers are used, the financial records maintained should identify the nature and source of all revenues and expenditures and segregate them into the appropriate fund.

Each district should be organized to have a clerk or financial administrator function and a treasurer function. The duties of the clerk and treasurer should be separated to provide controls to help ensure all money is properly controlled and accounted for. These controls also provide protection to the district officials handling public funds.

It is anticipated that the clerk maintains the accounting records of the district. By preparing the expenditure checks (or a certification attached to the check) he/she certifies that the disbursement is within the debt limit and budget of the district and that it has been approved by the district governing board for payment. The Treasurer receives money due the district and issues receipts, invests available district money, and certifies by signing checks that money is available for making the payments.

It is recognized that many districts have limited resources and may not be able to hire a treasurer or clerk with the knowledge and training necessary to perform all of the duties of their office as specified by law. The important concept for boards to keep in mind is that any modification in assignment of duties to treasurers and clerks, should be closely reviewed to ensure that some internal controls are maintained over district monies. Where a proper separation of duties is not maintained in areas such as the billing, collections, deposits and reconciliation of utility customer accounts the board should either participate to provide for an adequate separation of duties, and/or require timely reports of such activities. They should also exercise their authority and responsibility to examine and inspect the books, ledgers, etc.

Receipts issued by the treasurer for money received by the district should be prenumbered and all receipts, including those voided, should be accounted for. Where receipts are not issued, evidence of payment must be appropriately recorded and be verifiable. For example, a treasurer may not issue a receipt to someone paying a utility bill by check where a specific payment history is maintained for each customer, but the treasurer would always need to issue a receipt to someone paying a utility bill in cash.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 04  
**Page:** 2 of 2  
**Subject:** Record Keeping Requirements and Internal Controls  
**Effective Date:** 1 April 1986  
**Revision Date:** 1 February 2009

Expenditures should not be made using cash. Prenumbered checks should be used and all checks including those voided should be accounted for.

Bank statements should be reconciled monthly and agreed to the clerk's and treasurer's records of cash receipts and disbursements. This reconciliation should be performed by someone who does not handle cash receipts or disbursements.

Records should be maintained of all amounts owed to the district, such as customer utility charges, etc.

Records should be maintained of all assets owned by the district such as equipment, property, etc. Also, records of bonds or other debts owed by the district should be maintained.

Board members and directors as well as clerks and treasurers should have a good understanding of what revenues the district will be collecting and someone independent of the person receiving the money should periodically review the records to make sure all money due the district has been collected and deposited on a timely basis.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 05  
**Page:** 1 of 1  
**Subject:** Records Retention  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 December 2006

63A-12-103. Duties of governmental entities.

The chief administrative officer of each governmental entity shall:

- (1) establish and maintain an active, continuing program for the economical and efficient management of the governmental entity's records as provided by this chapter and Title 63G, Chapter 2, Government Records Access and Management Act;
- (2) appoint one or more records officers who will be trained to work with the state archives in the care, maintenance, scheduling, disposal, classification, designation, access, and preservation of records;
- (3) ensure that officers and employees of the governmental entity that receive or process records requests receive required training on the procedures and requirements of this chapter and Title 63G, Chapter 2, Government Records Access and Management Act;
- (4) make and maintain adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the governmental entity designed to furnish information to protect the legal and financial rights of persons directly affected by the entity's activities;
- (5) submit to the state archivist proposed schedules of records for final approval by the records committee;
- (6) cooperate with the state archivist in conducting surveys made by the state archivist;
- (7) comply with rules issued by the Department of Administrative Services as provided by Section 63A-12-104;
- (8) report to the state archives the designation of record series that it maintains;
- (9) report to the state archives the classification of each record series that is classified; and
- (10) establish and report to the state archives retention schedules for objects that the governmental entity determines are not defined as a record under Section 63G-2-103, but that have historical or evidentiary value.

The State Archivist, under the direction of the State Records Committee, has prepared standard "Records Retention Schedules" which provide guidance to state and local governmental officials in the disposition and retention of public records. A copy of the retention schedules for special districts may be obtained from the State Archives Division. (See below for address and phone number.)

Errors or recommended changes in the schedule should be forwarded to the Local Government Records Archivist at the State Archives Division. To have retention schedules determined for records not listed in the Records Retention Schedule, please prepare a Record Series Inventory Worksheet and forward it to the Local Government Records Archivist at State Archives. Blank forms can be obtained from the Local Government Records Archivist, State Archives Division, 346 S. Rio Grande, Salt Lake City, UT 84101-1106, (801) 531-3848.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 06  
**Page:** 1 of 1  
**Subject:** Personnel Policy  
**Effective Date:** 1 October 1992  
**Revision Date:** 1 February 2009

*Utah Code* Section 17B-1-801 through 804 requires local districts with any full or part-time employees to have a personnel system which incorporates policies for the following: recruiting, advancing, compensating, training, retention, fair treatment, and provision of information about political rights and appeals procedures. The district should annually review and update its personnel policies. The requirements do not apply to districts with annual revenues less the \$50,000.

A model personnel policy, as well as an independent contractor contract or agreement, is included in this manual at V.E.06.01.

# STATE OF UTAH UNIFORM ACCOUNTING MANUAL

**Reference:** V. E. 06.01  
**Page:** 1 of 1  
**Subject:** Independent Contractor/Personnel Policy  
**Effective Date:** 1 April 1997  
**Revision Date:** 1 December 2006

The following models of an independent contractor contract V.E.06.01.01 and a personnel policy V.E.06.01.02 are available for your convenience as a starting point for your entity to develop its own contract and/or policy.

You will note that the models are not all inclusive, but we believe they include the most important and most frequently required elements of such a contract and policy. We tried to keep the models both clear and simple.

We strongly recommend that each entity tailor its contract and/or policy to suit its needs. For additional assistance you should contact your attorney.

CONTRACT FOR [TYPE OF SERVICES]

Contract made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, between [PUBLIC ENTITY], located at [ADDRESS], hereafter referred to as Owner and [CONTRACTOR], located at [ADDRESS], hereafter referred to as Contractor.

RECITALS

- A. Owner owns and operates a [TYPE OF BUSINESS] at the address set forth above, and Owner desires to have the following services performed at [OWNER'S PLACE OF BUSINESS]: [TYPE OF SERVICES TO BE CONTRACTED FOR].
- B. Contractor agrees to perform these services for owner under the terms and conditions set forth in this contract. In consideration of the mutual promises set forth herein, it is agreed by and between Owner and Contractor:

1. **DESCRIPTION OF WORK**

The work to be performed by Contractor includes all services generally performed by Contractor in Contractor's usual line of business, including, but not limited to, the following: [DESCRIPTION OF WORK TO BE PERFORMED].

2. **PAYMENT**

- a. Owner will pay contractor the total sum of [SUM] for the work to be performed under this contract, according to the following schedule: [SCHEDULE].

**OR**

- b. Owner agrees to pay Contractor for all work performed by Contractor, on completion of same, at the rate of [RATE OF PAY].

3. **RELATIONSHIP OF PARTIES**

The parties intend that an independent contractor-owner relationship will be created by this contract. Owner is interested only in the results to be achieved, and the conduct and control of the work will lie solely with Contractor. Contractor is not to be considered an agent or employee of Owner for any purpose, and the employees of Contractor are not entitled to any of the benefits that Owner provides for Owner's employees. It is understood that Owner does not agree to use Contractor exclusively. It is further understood that Contractor is free to contract for similar services to be performed for other owners while under contract with Owner.

4. **LIABILITY**

The work to be performed under this contract will be performed entirely at Contractor's risk, and Contractor assumes all responsibility for the condition of tools and equipment used in the performance of this contract. Contractor agrees to indemnify owner for any and all liability or loss arising out of Contractor's gross

negligence or willful misconduct in the performance of the terms of this contract.

**5. MATERIALS AND EQUIPMENT**

Contractor shall furnish, at Contractor's own expense, all materials and equipment necessary to carry out the terms of this contract.

**OR**

Owner shall furnish all materials and equipment, to be leased to Contractor at the rate of [RATE].

**6. DURATION**

The contract shall remain in force for a term of \_\_\_\_\_ from the date of the signing of the contract. Either party may cancel this contract on \_\_\_\_\_ days' written notice.

**7. RIGHT OF TERMINATION OF CONTRACT FOR UNREASONABLE DELAYS**

In the event of a breach by the contractor of any of the provisions of this contract, or in the event of unreasonably slow progress, inattention, incompetency, or carelessness in the performance of any particular job or work contracted for by this contract, or in the event that the Contractor shall conduct the work in any manner as, in the sole opinion of the representative of the Owner, shall endanger the Owner's property or surrounding property, the Owner shall have the right to terminate the contract immediately.

**8. WAIVER OR MODIFICATION OF TERMS**

No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by duly authorized representatives of Owner and Contractor.

**9. GOVERNING LAW**

This agreement shall be governed by the laws of the State of Utah.

In witness whereof, the parties have executed this agreement the day and year first above written.

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Contractor

## PERSONNEL POLICY

### I. GENERAL

The \_\_\_\_\_ District will provide fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age or disability, and with proper regard for their privacy and constitutional rights as citizens. No class of jobs will be closed, nor will there be reduced compensation, to any individual because of the above-referenced criteria. An employee will receive at least minimum wage as a gross wage, minus the legally required deductions.

This policy complies with Title VII of the Civil Rights Act of 1964 and the Fair Labor Standards Act.

### II. EMPLOYEE BENEFITS

#### A. Vacation

1. All full-time permanent employees earn vacation time based upon years of service. For 0-1 years, employees receive 5 days per year; for 1-3 years, employees receive 10 days per year; for 3-10 years, employees receive 15 days per year; for over 10 years, employees receive 20 days per year.
2. Vacation may not be accumulated from one year to the next.
3. Vacation must be approved by a supervisor prior to the day or days vacation is to be taken.

#### B. Sick Leave

1. Employees accumulate sick leave on the basis of one-half day per month. There is no limit to the number of days that can be carried over from one year to the next.
2. If employment terminates for any reason, no cash payment will be made for sick leave accumulated.
3. Sick leave may be used for personal or family sickness. A maximum of three days may be used for death in the family.

#### C. Holidays

The following are District holidays. Any employee working on a holiday shall receive 1 1/2 times regular wage.

New Year's Day  
Memorial Day  
Labor Day  
Christmas Day

Civil Rights Day  
Independence Day  
Columbus Day

President's Day  
Pioneer Day  
Thanksgiving Day

D. Health Insurance (Define Benefit)

E. Retirement (Define Benefit)

F. Travel

When it is necessary for a District employee to travel out of town on business, compensation for use of a personal vehicle will be made at a rate of forty-two cents per mile.

Thirty dollars per day will be provided for meals, and overnight accommodations will be reimbursed upon receipt for the room. Travel arrangements must be approved by a supervisor.

### III. **DISCIPLINE AND GRIEVANCE PROCEDURES**

A. Personal Conduct

Employees should be at their best when representing the District. The impression that an outside individual has of the District may greatly be determined by the actions of its personnel. Individuals should take pride in their personal appearance. Punctuality, willingness to be of service, and courtesy should be observed at all times.

Personnel shall keep District business out of social conversation. The confidential affairs of the District are not proper subjects for public discussion. Employees may be disciplined for any conduct that discredits the District in the eyes of the public or adversely affects the efficiency, effectiveness, or harmony of District functions.

B. Grievance

In the event of demotion or dismissal, the employee may appeal to the governing body of the District. An appeal is taken by filing a written grievance with the District secretary within ten days after the action on which the grievance is based. The Board will then set a date for a hearing during which evidence may be taken. The decision of the Board must be made within fifteen days of the hearing and notice mailed to the affected employee. The Board's decision is final.

### IV. **EMPLOYMENT CONDITIONS**

A. Work Hours

The regular work week is forty hours, divided into five days, Monday through Friday. Individual work hours should be discussed and approved by a supervisor. Absenteeism or tardiness that is unexcused or excessive in the judgment of the District is grounds for disciplinary action, including dismissal.

Overtime, defined as work in excess of forty hours per week, shall be compensated at the rate of 1 1/2 times base pay.

### V. **SPECIAL POLICIES AND PROCEDURES**

A. Accident Reporting Procedures

For the protection of the District and its personnel all accidents must be reported. All claims for damages as a result of an accident, either for or against the District, will be handled by the

Manager. District personnel should not admit liability, sign statements concerning the liability of an accident or accept any settlement presented by insurance representatives for the other party.

Individuals involved in two or more motor vehicle accidents within a twelve month period, while on District business, where the individual is at fault, may be terminated.

Reporting vehicle accidents:

1. Do not move either vehicle.
2. Call the police immediately.
3. Prepare a written report within twenty-four hours and forward to the District office.

Reporting non-vehicle accidents:

1. Report all accidents or any incident in which the District could be liable to the District office immediately.
2. Prepare a written report within twenty-four hours and forward to the District office.

Worker's Compensation

3. An employee who is injured during the performance of his/her duties is covered by Utah Worker's Compensation.
4. All injuries occurring on the job must be reported to the District office.

B. Sexual Harassment

Sexual Harassment will not be tolerated in any form of quid pro quo or hostile environment harassment in any of its forms:

1. sex role stereotype
2. gender discrimination or abuse
3. individual harassment
4. criminal touching

Any employee who feels that he or she is working in an unwelcome or hostile work place environment because of his or her sex should notify the District office immediately.

C. Drugs

The District will provide a drug-free workplace. The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the District workplace and action will be taken against employees for violation of such prohibitions. One or more of the following actions will be taken within thirty days of receiving notice with respect to any employee who is suspected or charged with, or convicted of any drug-related event: (1) action up to and including termination; or (2) require such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health enforcement, or other appropriate, agency.

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Utah Code 17B-1 contains provisions applicable to all districts with some exceptions. Each type of district also contains specific provisions. If there are conflicts between provisions found in the general section with provisions found in specific sections then the specific provisions rule. For fiscal procedures including accounting, budgeting and financial reporting requirements see section V.G. of this manual. The Utah Code sections noted below are a highlight of significant areas. For more complete information please refer directly to Utah Code. Utah Code is available on the internet at [http://www.le.state.ut.us/Documents/code\\_const.htm](http://www.le.state.ut.us/Documents/code_const.htm).

The following *Utah Code* Sections should be reviewed for guidance in the areas noted:

<u>Utah Code Section</u>	<u>Description</u>
17B-1-110	<p>Compliance with nepotism requirements.</p> <p>Each local district shall comply with Title 52, <a href="#">Chapter 3</a>, Prohibiting Employment of Relatives.</p>
17B-1-111	<p>Impact fee resolution - Notice and hearing requirements.</p> <p>If a local district wishes to impose impact fees, the board of trustees of the local district shall:</p> <ol style="list-style-type: none"><li>1. prepare a proposed impact fee resolution that meets the requirements of Title 11, <a href="#">Chapter 36</a>, Impact Fees Act;</li><li>2. make a copy of the impact fee resolution available to the public at least 14 days before the date of the public hearing and hold a public hearing on the proposed impact fee resolution; and</li><li>3. provide reasonable notice of the public hearing at least 14 days before the date of the hearing.</li></ol> <p>After the public hearing, the board of trustees may:</p> <ol style="list-style-type: none"><li>1. adopt the impact fee resolution as proposed;</li><li>2. amend the impact fee resolution and adopt or reject it as amended; or</li><li>3. reject the resolution.</li></ol>
17B-1-113	<p>Liability insurance.</p> <p>Each local district with an annual operating budget of \$50,000 or more shall obtain liability insurance as considered appropriate by the local district board.</p>

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17B-1-116 Property exempt from taxation and execution.

All property and assets of a local district are exempt from taxation and exempt from execution.

17B-1-202 Local district may be created - Services that may be provided - Limitations.

A local district may be created as provided in this part to provide within its boundaries service consisting of:

1. the operation of an airport;
2. the operation of a cemetery;
3. fire protection, paramedic, and emergency services;
4. garbage collection and disposal;
5. health care, including health department or hospital service;
6. the operation of a library;
7. abatement or control of mosquitos and other insects;
8. the operation of parks or recreation facilities or services;
9. the operation of a sewage system;
10. street lighting;
11. the construction and maintenance of curb, gutter, and sidewalk;
12. transportation, including public transit and providing streets and roads;
13. the operation of a system, or one or more components of a system, for the collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of water, including storm, flood, sewage, irrigation, and culinary water, whether the system is operated on a wholesale or retail level or both; (xiv) extended police protection;

A local district may not be created to provide and may not after its creation provide more than four of the services listed above.

17B-1-301 Board of trustees duties and powers.

Each local district shall be governed by a board of trustees which shall manage and conduct the business and affairs of the district and shall determine all questions of district policy.

17B-1-302 Board member qualifications - Number of board members.

Each member of a local district board of trustees shall be a registered voter at the

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location of the member's residence; and except as noted in Utah Code 17B-1-302 (1)(b)&(c), a resident within the boundaries of the local district.

Except as otherwise provided by statute, the number of members of each board of trustees of a local district shall be an odd number that is no less than three.

17B-1-303 Term of board of trustees members - Oath of office - Bond.

Except as provided in Utah Code 17B-1-303(1)(b), the term of each member of a board of trustees shall begin at noon on the January 1 following the member's election or appointment. Subject to Utah Code 17B-1-303 (2)(a)(ii), the term of each member of a board of trustees shall be four years.

Each board of trustees member shall serve until a successor is duly elected or appointed and qualified, unless the member earlier is removed from office or resigns or otherwise leaves office.

If a member of a board of trustees no longer meets the qualifications of 17B-1-302(1), the member's position is considered vacant, subject to 17B-1-303(2)(c)(ii); and the member may continue to serve until a successor is duly elected or appointed and qualified.

17B-1-305 Notice of offices to be filled.

On or before February 1 of each municipal election year, the board of each local district shall prepare and transmit to the clerk of each county in which any part of the district is located a written notice that designates the offices to be filled at that year's municipal general election; and identifies the dates for filing a declaration of candidacy for those offices.

17B-1-307 Annual compensation - Per diem compensation - Reimbursement of expenses.

Except as provided in Utah Code 17B-1-308(1)(e), a member of a board of trustees may receive compensation for service on the board, as determined by the board of trustees. The amount of compensation may not exceed \$5,000 per year.

As determined by the board of trustees, a member of a board of trustees may receive

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per diem compensation, in addition to the compensation noted above, for attendance at up to 12 meetings or activities per year related to any district business.

The amount of per diem compensation shall be as established by the Division of Finance for policy boards, advisory boards, councils, or committees within state government.

In addition to any compensation a member receives under this section, each member of a board of trustees shall be reimbursed by the local district for all actual and necessary expenses incurred in attending board meetings and in performing the member's official duties.

17B-1-309 Board officers - Term.

The board of trustees shall elect from their number a chair and may elect other officers as the board considers appropriate. The offices of treasurer and clerk may not be held by the same person. Each officer serves at the pleasure of the board of trustees, but the board may designate a set term for officers.

17B-1-311 Board member prohibited from district employment - Exception.

No elected or appointed member of the board of trustees of a local district may, while serving on the board, be employed by the district, whether as an employee or under a contract.

No person employed by a local district, whether as an employee or under a contract, may serve on the board of that local district. This does not apply to a local district if fewer than 3,000 people live within 40 miles of the primary place of employment, measured over all weather public roads; and with respect to the employment of a board of trustees member the job opening has had reasonable public notice; and the person employed is the best qualified candidate for the position.

17B-1-312 Training for board members.

Each member of a board of trustees of a local district, should, within one year after taking office, complete the training described below.

In conjunction with the Utah Association of Special Districts, the state auditor shall develop a training curriculum for the members of local district boards; and with the assistance of other state offices and departments the state auditor considers appropriate

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and at times and locations established by the state auditor, carry out the training of members of local district boards.

A local district board of trustees may compensate each member of the board up to \$100 per day for each day of training described above that the member completes. The per diem amount authorized above is in addition to all other amounts of compensation and expense reimbursement authorized.

A board of trustees may not pay compensation for training to any board member more than once per year.

17B-1-802 Personnel Management – Review of personnel policies

Each local district that has full or part-time employees shall annually review its personnel policies to ensure that they conform to the requirements of state and federal law.

17B-1-901 Collection of Service Fees and Charges – A single bill for multiple commodities, services, or facilities - Suspending service to a delinquent customer.

If a local district provides more than one commodity, service, or facility, the district may bill for the fees and charges for all commodities, services, and facilities in a single bill.

A local district may suspend furnishing a commodity, service, or facility to a customer if the customer fails to pay all fees and charges when due.

17B-1-1002 Limit on local district property tax levy - Exclusions.

The rate at which a local district levies a property tax for district operation and maintenance expenses on the taxable value of taxable property within the district may not exceed:

1. .0008, for a basic local district;
2. .0004, for a cemetery maintenance district;
3. .0004, for a drainage district;
4. .0008, for a fire protection district;
5. .0008, for an improvement district;
6. .0005, for a metropolitan water district;

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7. .0004, for a mosquito abatement district;
8. .0004, for a public transit district;
9. .0023, for a service area that:
  - a. is located in a county of the first or second class; and
  - b. provides fire protection, paramedic, and emergency services; or
10. .0014, for each other service area; or
11. the rates provided in Section 17B-2a-1006, for a water conservancy district.

Property taxes levied by a local district are excluded from the limit applicable to that district as noted above if the taxes are:

1. levied under Section 17B-1-1103 by a local district, other than a water conservancy district, to pay principal of and interest on general obligation bonds issued by the district;
2. levied to pay debt and interest owed to the United States; or
3. levied to pay assessments or other amounts due to a water users association or other public cooperative or private entity from which the district procures water.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.02  
**Page:** 1 of 1  
**Subject:** Basic Local District  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-1-1401 through 1402 addresses specific provisions for a basic local district. Basic Local districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

<u>Utah Code Section</u>	<u>Description</u>
17B-1-1402	Board of trustees of a basic local district  As specified in a petition under 17B-1-203(1)(a) or (b) or a resolution under 17B-1-203(1)(c) or (d), the members of a board of trustees of a basic local district may be elected by registered voters; or appointed by the responsible body, as defined in 17B-1-201.

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**Reference:** V. F.03  
**Page:** 1 of 1  
**Subject:** Cemetery Maintenance Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-101 through 107 addresses specific provisions for cemetery maintenance districts. Cemetery Maintenance districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

<u>Utah Code Section</u>	<u>Description</u>
17B-2a-104	<p>Cemetery maintenance district bonding authority</p> <p>A cemetery maintenance district may issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district.</p>
17B-2a-106	<p>Appointment of board of trustees members - Vacancies</p> <p>If the area of a cemetery maintenance district is included entirely within the boundaries of a single municipality, each member of its board of trustees shall be appointed and each vacancy on the board of trustees shall be filled by a person appointed by the legislative body of that municipality, as provided in 17B-1-304.</p> <p>For each other cemetery maintenance district, each member of its board of trustees shall be appointed and each vacancy on the board of trustees shall be filled by a person appointed by the legislative body of the county in which the district is located, as provided in 17B-1-304.</p>
17B-2a-107	<p>Property within a cemetery maintenance district to be proportionately benefitted and equally assessed</p> <p>Each parcel of property within a cemetery maintenance district shall be benefitted by the creation of the district and by improvements made by the district, ratably with all other parcels of property within the district in proportion to the parcel's taxable value; and assessed equally in proportion to its taxable value for the purpose of cemetery improvement and maintenance.</p>

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F. 04  
**Page:** 1 of 2  
**Subject:** Drainage Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-101 through 211 addresses specific provisions for drainage districts. Drainage districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

<u>Utah Code Section</u>	<u>Description</u>
17B-2a-204	Prohibition against creating a drainage district  No new drainage district may be created.
17B-2a-205	Additional drainage district powers  In addition to the powers conferred on a drainage district under 17B-1-103, a drainage district may: <ol style="list-style-type: none"><li>1. enter upon land for the purpose of examining the land or making a survey;</li><li>2. locate a necessary drainage canal with any necessary branches on land that the district's board of trustees considers best;</li><li>3. issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;</li><li>4. after the payment or tender of compensation allowed, go upon land to construct proposed works, and thereafter enter upon that land to maintain or repair the works;</li><li>5. appropriate water for useful and beneficial purposes;</li><li>6. regulate and control, for the benefit of landholders within the district, all water developed, appropriated, or owned by the district;</li><li>7. appropriate, use, purchase, develop, sell, and convey water and water rights in the same manner and for the same use and purposes as a private person;</li><li>8. widen, straighten, deepen, enlarge, or remove any obstruction or rubbish from any watercourse, whether inside or outside the district; and</li><li>9. if necessary, straighten a watercourse by cutting a new channel upon land not already containing the watercourse, subject to the landowner receiving compensation for the land occupied by the new channel and for any damages, as provided under the law of eminent domain.</li></ol>

Drainage district board of trustees

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17B-2a-206

Each member of the board of trustees of a drainage district shall be appointed by the legislative body of the county in which the district is located. If a drainage district is located in more than one county, a county legislative body may not appoint more than two members.

17B-2a-207

Public highways, roads, or streets or railroad rights-of-way benefited by district works.

If a drainage district board of trustees determines that a public highway, road, street, or railroad right-of-way is or will be benefitted by district drainage canals or other works that have been or will be constructed:

1. the district shall assess benefits and taxes against the public highway, road, street, or railroad right-of-way in the same manner as if the highway, road, street, or railroad right-of-way were in private ownership;
2. the district may treat the highway, road, street, or railroad right-of-way the same as it would treat private land; and
3. the state or local entity having control of the public highway, road, or street or the owner of the railroad right-of-way shall pay the applicable taxes assessed against the land, whether or not it owns the fee simple title to the land covered by the highway, road, street, or railroad right-of-way.

17B-2a-208

Bridge or culvert across a public highway, road, or street, or a railroad right-of-way - Notice to railway authority - Option of railway authority to construct bridge or culvert.

A drainage district may construct each necessary bridge and culvert across or under a public highway, road, street, or railroad right-of-way to enable the district to construct and maintain a canal, drain, or ditch necessary as part of the drainage system of the district.

Before a drainage district constructs a bridge or culvert across or under a railroad right-of-way, the district shall first give notice to the railway authority empowered to build or construct bridges and culverts.

A railway authority may, within 30 days after the notice and at its own expense, build the bridge or culvert according to its own plans. Each railway authority that builds a bridge or culvert as provided shall construct the bridge or culvert so as not to interfere with the free and unobstructed flow of water passing through the canal or drain; and at points that are indicated by a competent drainage engineer.

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**Reference:** V. F.05  
**Page:** 1 of 1  
**Subject:** Fire Protection Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-301 through 306 addresses specific provisions for fire protection districts. Fire Protection districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code

Section

Description

17B-2a-304

Additional fire protection district power.

In addition to the powers conferred on a fire protection district under 17B-1-103, a fire protection district may issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district.

17B-2a-305

Fire protection districts board of trustees - Board of a countywide district - Validation of previous boards.

Except as noted below, the board of trustees of a fire protection district may be appointed or elected, as provided in the documents establishing the district.

If the area of a fire protection district consists of all the area of a single county excluding the area of all first and second class cities in the county, the legislative body of that county shall constitute the board of trustees of the fire protection district.

The composition and method of appointing or electing board of trustees members of each fire protection district existing on April 30, 2007 are validated, ratified, and confirmed.

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**Reference:** V. F.06  
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**Subject:** Improvement Districts  
**Effective Date:** 1 April 1987  
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*Utah Code* Section 17B-2a-401 through 406 addresses specific provisions for improvement districts. Improvement districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code  
Section

Description

17B-2a-403

Additional improvement district powers.

In addition to the powers conferred on an improvement district under 17B-1-103, an improvement district may:

1. acquire through construction, purchase, gift, or condemnation, or any combination of these methods, and may operate all or any part of:
  - a. a system for the supply, treatment, and distribution of water;
  - b. a system for the collection, treatment, and disposition of sewage;
  - c. a system for the collection, retention, and disposition of storm and flood waters;
  - d. a system for the generation, distribution, and sale of electricity, subject to 17B-2a-406; and
  - e. a system for the transmission of natural or manufactured gas if the system is:
    - i. connected to a gas plant, as defined in 54-2-1, of a gas corporation, as defined in 54-2-1, regulated under 54-4-1; and
    - ii. to be used to facilitate gas utility service within the district if the gas utility service is not available within the district prior to the acquisition or construction of the system;
2. issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
3. appropriate or otherwise acquire water and water rights inside or outside its boundaries;
4. sell water or other services to consumers residing outside its boundaries;
5. enter into a contract with a gas corporation regulated under 54-4-1 to provide for the operation or maintenance of all or part of a system for the transmission of natural or manufactured gas or to lease or sell all or a portion of that system to a gas corporation;
6. enter into a contract with a person for:
  - a. the purchase or sale of water or electricity;

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.06  
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**Subject:** Improvement Districts  
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- b. the use of any facility owned by the person; or
  - c. the purpose of handling the person's industrial and commercial waste and sewage;
7. require pretreatment of industrial and commercial waste and sewage; and
  8. impose a penalty or surcharge against a public entity or other person with which the district has entered into a contract for the construction, acquisition, or operation of all or a part of a system for the collection, treatment, and disposal of sewage, if the public entity or other person fails to comply with the provisions of the contract.

The new gas utility service under Subsection (1)(a)(v)(B) shall be provided by a gas corporation regulated under 54-4-1 and not by the district.

An improvement district may not begin to provide sewer service to an area where sewer service is already provided by an existing sewage collection system operated by a municipality or other political subdivision unless the municipality or other political subdivision gives its written consent.

17B-2a-404

Improvement district board of trustees.

The legislative body of the municipality included within a municipal district may:

1. elect, at the time of the creation of the district, to be the board of trustees of the district; and
2. adopt at any time a resolution providing for:
  - a. the election of board of trustees members, as provided in 17B-1-306; or
  - b. the appointment of board of trustees members, as provided in 17B-1-304.

The legislative body of a county whose unincorporated area is partly or completely within a county district may:

1. elect, at the time of the creation of the district, to be the board of trustees of the district; and
2. adopt at any time a resolution providing for:
  - a. the election of board of trustees members, as provided in 17B-1-306; or
  - b. the appointment of board of trustees members, as provided in 17B-1-304.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.07  
**Page:** 1 of 1  
**Subject:** Irrigation Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-501 through 506 addresses specific provisions for irrigation districts. Irrigation districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code  
Section

Description

17B-2a-503

Additional irrigation district powers - No authority to levy property tax.

1. In addition to the powers conferred on an irrigation district under 17B-1-103, an irrigation district may:
  - a. issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
  - b. purchase stock of an irrigation, canal, or reservoir company;
  - c. enter upon any land in the district to make a survey and to locate and construct a canal and any necessary lateral;
  - d. convey water rights or other district property to the United States as partial or full consideration under a contract with the United States;
  - e. pursuant to a contract with the United States, lease or rent water to private land, an entryman, or a municipality in the neighborhood of the district;
  - f. if authorized under a contract with the United States, collect money on behalf of the United States in connection with a federal reclamation project and assume the incident duties and liabilities;
  - g. acquire water from inside or outside the state;
  - h. subject to section 2 below, lease, rent, or sell water not needed by the owners of land within the district:
    - i. to a municipality, corporation, association, or individual inside or outside the district;
    - ii. for irrigation or any other beneficial use; and
    - iii. at a price and on terms that the board considers appropriate; and
    - iv. repair a break in a reservoir or canal or remedy any other district disaster.
2. The term of a lease or rental agreement under section h. above may not exceed five years. A vested or prescriptive right to the use of water may not attach to the land because of a lease or rental of water under section h.
3. Notwithstanding 17B-1-103(2)(g), an irrigation district may not levy a property tax.

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**Reference:** V. F.08  
**Page:** 1 of 3  
**Subject:** Metropolitan Water Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-601 through 607 addresses specific provisions for metropolitan water districts. Metropolitan Water districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

<u>Utah Code Section</u>	<u>Description</u>
17B-2a-603	Additional metropolitan water district powers.

In addition to the powers conferred on a metropolitan water district under 17B-1-103, a metropolitan water district may:

1. acquire or lease any real or personal property or acquire any interest in real or personal property, as provided in 17B-1-103(2)(a) and (b), whether inside or outside the district or inside or outside the state;
2. encumber real or personal property or an interest in real or personal property that the district owns;
3. acquire or construct works, facilities, and improvements, as provided in 17B-1-103(2)(d), whether inside or outside the district or inside or outside the state;
4. acquire water, works, water rights, and sources of water necessary or convenient to the full exercise of the district's powers, whether the water, works, water rights, or sources of water are inside or outside the district or inside or outside the state, and encumber, transfer an interest in, or dispose of water, works, water rights, and sources of water;
5. develop, store, and transport water;
6. provide, sell, lease, and deliver water inside or outside the district for any lawful beneficial use;
7. issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district; and
8. subscribe for, purchase, lease, or otherwise acquire stock in a canal company, irrigation company, water company, or water users association, for the purpose of acquiring the right to use water or water infrastructure.

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**Reference:** V. F.08  
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**Subject:** Metropolitan Water Districts  
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17B-2a-604 Metropolitan water district board of trustees.

1. Members of the board of trustees of a metropolitan water district shall be appointed as provided in this section.
2. If a district contains the area of a single municipality:
  - a. the legislative body of that municipality shall appoint each member of the board of trustees; and
  - b. one member shall be the officer with responsibility over the municipality's water supply and distribution system, if the system is municipally owned.
3. If a district contains some or all of the retail water service area of more than one municipality:
  - a. the legislative body of each municipality shall appoint the number of members for that municipality as determined under (3)(b);
  - b. subject to (3)(c), the number of members appointed by each municipality shall be determined:
    - i. by agreement between the metropolitan water district and the municipalities, subject to the maximum stated in 17B-1-302(2); or
    - ii. as provided in Chapter 1, Part 3, Board of Trustees; and
  - c. at least one member shall be appointed by each municipality.
4. Each member of the board of trustees of a metropolitan water district shall be:
  - a. a registered voter;
  - b. a property taxpayer; and
  - c. a resident of:
    - i. the metropolitan water district; and
    - ii. the retail water service area of the municipality whose legislative body appoints the member.
5. Each trustee shall be appointed without regard to partisan political affiliations from among citizens of the highest integrity, attainment, competence, and standing in the community.
6. Except as provided in (8), if a member becomes elected or appointed to office in or becomes an employee of the municipality whose legislative body appointed the member, the member shall immediately forfeit the office, and the member's position on the board is vacant until filled as provided in Section 17B-1-304.
7. Except as provided in (8), the term of office of each member of the board of trustees is as provided in Section 17B-1-303.
8. Sections (4), (6), and (7) do not apply to a member who is a member under section (2)(b).

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17B-2a-606 Rates, charges, and assessments.

The board of trustees may fix the rates, charges, and assessments, from time to time, at which the district:

1. sells water; or
2. charges for the treatment or transportation of water or for the dedication of water supplies or water treatment or conveyance capacities.

The rates, charges, and assessments may be established by agreement between the district and the municipalities serviced by the district.

Rates fixed under the provision above shall be equitable, although not necessarily equal or uniform, for like classes of service throughout the district.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.09  
**Page:** 1 of 1  
**Subject:** Mosquito Abatement Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-701 through 705 addresses specific provisions for mosquito abatement districts. Mosquito Abatement districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code  
Section

Description

17B-2a-703

Additional mosquito abatement district powers.

In addition to the powers conferred on a mosquito abatement district under 17B-1-103, a mosquito abatement district may:

1. take all necessary and proper steps for the extermination of mosquitos, flies, crickets, grasshoppers, and other insects:
  - a. within the district; or
  - b. outside the district, if lands inside the district are benefitted;
2. abate as nuisances all stagnant pools of water and other breeding places for mosquitos, flies, crickets, grasshoppers, or other insects anywhere inside or outside the state from which mosquitos migrate into the district;
3. enter upon territory referred to in sections (1) and (2) above in order to inspect and examine the territory and to remove from the territory, without notice, stagnant water or other breeding places for mosquitos, flies, crickets, grasshoppers, or other insects;
4. issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
5. make a contract to indemnify or compensate an owner of land or other property for injury or damage necessarily caused by the exercise of district powers or arising out of the use, taking, or damage of property for a district purpose; and
6. establish a reserve fund, not to exceed the greater of 25% of the district's annual operating budget and \$50,000, to pay for extraordinary abatement measures, including a vector-borne public health emergency.

17B-2a-704

Mosquito abatement district board of trustees.

Appointment of board members and filling of board vacancies are outlined in this section.

# STATE OF UTAH

## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.10  
**Page:** 1 of 1  
**Subject:** Public Transit Districts  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-801 through 824 addresses public transit districts. Public Transit Districts are established to provide a public transit system for passengers and their incidental baggage. Some general provisions for local districts are specifically excluded from applying to transit districts.

The following *Utah Code* Sections should be reviewed for guidance in the areas noted:

<u>Utah Code Section</u>	<u>Description</u>
17B-2a-803	Provisions applicable to public transit districts.  Public transit districts are not subject to 17B-1-301, 17B-1-311, and 17B-1-313, the provisions of 17B-1 Part 3, Board of Trustees, and a public transit district is not subject to 17B-1, Part 6, fiscal Procedures for Local Districts.
17B-2a-804	Additional public transit district powers.
17B-2a-805	Limitations on authority of a public transit district.
17B-2a-808	Public transit district board of trustees powers and duties – Adoption of ordinances, resolutions, or orders – Effective date of ordinances.
17B-2a-820	Authority for other governmental entities to acquire property by eminent domain for a public transit district.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.11  
**Page:** 1 of 1  
**Subject:** Service Areas  
**Effective Date:** 1 April 1987  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-901 through 907 addresses specific provisions for service areas. Service Areas should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code

Section

Description

17B-2a-903

Additional service area powers.

In addition to the powers conferred on a service area under 17B-1-103, a service area:

1. may issue bonds as provided in and subject to Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
2. that, until April 30, 2007, was a regional service area, may provide park, recreation, or parkway services, or any combination of those services; and
3. may, with the consent of the county in which the service area is located, provide planning and zoning service.

17B-2a-905

Service area board of trustees.

The board of trustees of a service area may, depending upon specific circumstances, consist of the county legislative body, be appointed or elected.

# STATE OF UTAH UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.12  
**Page:** 1 of 1  
**Subject:** Water Conservancy Districts  
**Effective Date:** 1 April 1986  
**Revision Date:** 1 April 2009

*Utah Code* Section 17B-2a-1001 through 1008 addresses specific provisions for water conservancy districts. Water Conservancy Districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

<u>Utah Code Section</u>	<u>Description</u>
17B-2a-1004	Additional water conservancy district powers.
17B-2a-1006	Limits on water conservancy district property tax levy - Additional levy.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.13  
**Page:** 1 of 3  
**Subject:** Special Service Districts  
**Effective Date:** 1 April 1987  
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*Utah Code* Title 17D-1 addresses specific provisions for special service districts. Special Service Districts should comply with the budgeting, accounting and financial reporting requirements for all local districts found in *Utah Code* Section 17B-1 and 51-2a.

The following *Utah Code* sections are highlights of significant specific provisions:

Utah Code  
Section

Description

17D-1-106 Special service districts subject to other provisions.

A special service district is, to the same extent as if it were a local district, subject to and governed by:

1. Sections 17B-1-105, 17B-1-107, 17B-1-108, 17B-1-109, 17B-1-110, 17B-1-111, 17B-1-112, 17B-1-113, and 17B-1-116;
2. Sections 17B-1-304, 17B-1-305, 17B-1-306, 17B-1-307, 17B-1-310, 17B-1-312, and 17B-1-313;
3. Title 17B, Chapter 1, Part 6, Fiscal Procedures for Local Districts;
4. Title 17B, Chapter 1, Part 7, Local District Budgets and Audit Reports;
5. Title 17B, Chapter 1, Part 8, Local District Personnel Management; and
6. Title 17B, Chapter 1, Part 9, Collection of Service Fees and Charges.

17D-1-201 Services that a special service district may be created to provide.

As provided in this part, a county or municipality may create a special service district to provide any combination of the following services:

1. water;
2. sewerage;
3. drainage;
4. flood control;
5. garbage collection and disposal;
6. health care;
7. transportation;
8. recreation;
9. fire protection and, if fire protection service is provided, emergency medical or ambulance or both;
10. providing, operating, and maintaining correctional and rehabilitative facilities and programs for municipal, state, and other detainees and prisoners;
11. street lighting;

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12. consolidated 911 and emergency dispatch;
13. animal shelter and control;
14. receiving federal mineral lease funds under Title 59, Chapter 21, Mineral Lease Funds, and expending those funds to provide construction and maintenance of public facilities, traditional governmental services, and planning, as a means for mitigating impacts from extractive mineral industries; and
15. in a county of the first class, extended police protection.

17D-1-301

Governance of a special service district - Authority to create and delegate authority to an administrative control board - Limitations on authority to delegate.

1. Each special service district shall be governed by the legislative body of the county or municipality that creates the special service district, subject to any delegation under this section of a right, power, or authority to an administrative control board.
2. At the time a special service district is created or at any time thereafter, the legislative body of a county or municipality that creates a special service district may, by resolution or ordinance:
  - a. create an administrative control board for the special service district; and
  - b. subject to Subsection (3), delegate to the administrative control board the exercise of any right, power, or authority that the legislative body possesses with respect to the governance of the special service district.
3. A county or municipal legislative body may not delegate to an administrative control board of a special service district the power to:
  - a. annex an area to an existing special service district or add a service within the area of an existing special service district under Part 4, Annexing a New Area and Adding a New Service;
  - b. designate, under Section 17D-1-107, the classes of special service district contracts that are subject to Title 11, Chapter 39, Building Improvements and Public Works Projects;
  - c. levy a tax on the taxable property within the special service district;
  - d. issue special service district bonds payable from taxes;
  - e. call or hold an election for the authorization of a property tax or the issuance of bonds;
  - f. levy an assessment;

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- g. issue interim warrants or bonds payable from an assessment; or
  - h. appoint a board of equalization under Section 11-42-404.
4. (a) A county or municipal legislative body that has delegated a right, power, or authority under this section to an administrative control board may at any time modify, limit, or revoke any right, power, or authority delegated to the administrative control board.
- (b) A modification, limitation, or revocation under Subsection (4)(a) does not affect the validity of an action taken by an administrative control board before the modification, limitation, or revocation.

17D-1-302 Number of members of an administrative control board.

Each administrative control board shall consist of at least three members.

17D-1-303 Election or appointment of administrative control board members.

17D-1-304 Qualifications of administrative control board members - Term of office.

With some exceptions, each member of an administrative control board shall be a registered voter within the special service district; or an officer or employee of the county or municipality that created the special service district. Generally the term of each member of an administrative control board is four years.

17D-1-305 Compensation for administrative control board members.

An administrative control board member may receive compensation and reimbursement of expenses as provided in Section 17B-1-307 to the same extent as if the member were a member of a board of trustees of a local district.

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. F.14  
**Page:** 1 of 1  
**Subject:** Other Districts and Similar Entities  
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There are other types of districts and similar entities which have budgeting, accounting and financial reporting requirements similar to local districts; these entities are listed below. Please see the *Utah Code* sections referenced below for the applicability of fiscal procedures.

<u>Utah Code Section</u>	<u>Description</u>
17D-2	Local Building Authority
17D-3	Conservation Districts
17C	Community Development and Renewal Agencies (Formerly Redevelopment Agencies)
17-37	County Planetariums
17-38	County Zoos

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## UNIFORM ACCOUNTING MANUAL

**Reference:** V. G. 01  
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**Subject:** Uniform Fiscal Procedures Act (verbatim)  
**Effective Date:** 1 July 1988  
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### FISCAL PROCEDURES FOR LOCAL DISTRICTS

#### 17B-1-601. Definitions.

As used in this part:

- (1) "Appropriation" means an allocation of money by the board of trustees for a specific purpose.
- (2) "Budget" means a plan of financial operations for a fiscal year which embodies estimates of proposed expenditures for given purposes and the proposed means of financing them, and may refer to the budget of a particular fund for which a budget is required by law or it may refer collectively to the budgets for all such funds.
- (3) "Budget officer" means the person appointed by the local district board of trustees to prepare the budget for the district.
- (4) "Budget year" means the fiscal year for which a budget is prepared.
- (5) "Calendar year entity" means a local district whose fiscal year begins January 1 and ends December 31 of each calendar year as described in Section 17B-1-602.
- (6) "Current year" means the fiscal year in which a budget is prepared and adopted, which is the fiscal year next preceding the budget year.
- (7) "Deficit" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
- (8) "Estimated revenue" means the amount of revenue estimated to be received from all sources during the budget year in each fund for which a budget is being prepared.
- (9) "Financial officer" means the official under Section 17B-1-642.
- (10) "Fiscal year" means the annual period for accounting for fiscal operations in each district.
- (11) "Fiscal year entity" means a local district whose fiscal year begins July 1 of each year and ends on June 30 of the following year as described in Section 17B-1-602.
- (12) "Fund" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
- (13) "Fund balance" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
- (14) "Governmental funds" means the general fund, special revenue fund, debt service fund, and capital projects fund of a local district.
- (15) "Interfund loan" means a loan of cash from one fund to another, subject to future repayment. It does not constitute an expenditure or a use of retained earnings or fund balance of the lending fund or revenue to the borrowing fund.
- (16) "Last completed fiscal year" means the fiscal year next preceding the current fiscal year.
- (17) "Proprietary funds" means enterprise funds and the internal service funds of a local district.
- (18) "Public funds" means any money or payment collected or received by an officer or employee of a local district acting in an official capacity and includes money or payment to the officer or employee for services or goods provided by the district, or the officer or employee while acting within the scope of employment or duty.
- (19) "Retained earnings" has the meaning given under generally accepted accounting principles as reflected in the Uniform Accounting Manual for Local Districts.
- (20) "Special fund" means any local district fund other than the local district's general fund.

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17B-1-602. Fiscal year.

The fiscal year of each local district shall be, as determined by the board of trustees:

- (1) the calendar year; or
- (2) the period from July 1 to the following June 30.

17B-1-603. Uniform accounting system.

The accounting records of each local district shall be established and maintained, and financial statements prepared from those records, in conformance with generally accepted accounting principles promulgated from time to time by authoritative bodies in the United States.

17B-1-604. Funds and account groups maintained.

Each district shall maintain, according to its own accounting needs, some or all of the funds and account groups in its system of accounts, as prescribed in the Uniform Accounting Manual for Local Districts.

17B-1-605. Budget required for certain funds - Capital projects fund.

- (1) The budget officer of each local district shall prepare for each budget year a budget for each of the following funds:
  - (a) the general fund;
  - (b) special revenue funds;
  - (c) debt service funds;
  - (d) capital projects funds;
  - (e) proprietary funds, in accordance with Section 17B-1-629; and
  - (f) any other fund or funds for which a budget is required by the uniform system of budgeting, accounting, and reporting.
- (2) (a) Major capital improvements financed by general obligation bonds, capital grants, or interfund transfers shall use a capital projects fund budget unless the improvements financed are to be used for proprietary type activities.  
(b) The local district shall prepare a separate budget for the term of the projects as well as the annual budget required under Subsection (1).

17B-1-606. Total of revenues to equal expenditures.

- (1) The budget for each fund under Section 17B-1-605 shall provide a financial plan for the budget year.
- (2) Each budget shall specify in tabular form:
  - (a) estimates of all anticipated revenues, classified by the account titles prescribed in the Uniform Accounting Manual for Local Districts; and
  - (b) all appropriations for expenditures, classified by the account titles prescribed in the Uniform Accounting Manual for Local Districts.
- (3) The total of the anticipated revenues shall equal the total of appropriated expenditures.

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17B-1-607. Tentative budget to be prepared - Review by governing body.

(1) On or before the first regularly scheduled meeting of the board of trustees in November for a calendar year entity and May for a fiscal year entity, the budget officer of each local district shall prepare for the ensuing year, on forms provided by the state auditor, and file with the board of trustees a tentative budget for each fund for which a budget is required.

(2) (a) Each tentative budget under Subsection (1) shall provide in tabular form:

(i) actual revenues and expenditures for the last completed fiscal year;

(ii) estimated total revenues and expenditures for the current fiscal year; and

(iii) the budget officer's estimates of revenues and expenditures for the budget year.

(b) The budget officer shall estimate the amount of revenue available to serve the needs of each fund, estimate the portion to be derived from all sources other than general property taxes, and estimate the portion that must be derived from general property taxes.

(3) The tentative budget, when filed by the budget officer with the board of trustees, shall contain the estimates of expenditures together with specific work programs and any other supporting data required by this part or requested by the board.

(4) The board of trustees shall review, consider, and tentatively adopt the tentative budget in any regular meeting or special meeting called for that purpose and may amend or revise the tentative budget in any manner that the board considers advisable prior to public hearings, but no appropriation required for debt retirement and interest or reduction of any existing deficits under Section 17B-1-613, or otherwise required by law, may be reduced below the minimums so required.

(5) When a new district is created, the board of trustees shall:

(a) prepare a budget covering the period from the date of incorporation to the end of the fiscal year;

(b) substantially comply with all other provisions of this part with respect to notices and hearings; and

(c) pass the budget as soon after incorporation as feasible.

17B-1-608. Tentative budget and data - Public records.

The tentative budget adopted by the board of trustees and all supporting schedules and data are public records, and are available for public inspection for a period of at least seven days prior to the adoption of a final budget.

17B-1-609. Hearing to consider adoption.

(1) At the meeting at which the tentative budget is adopted, the board of trustees shall:

(a) establish the time and place of a public hearing to consider its adoption; and

(b) order that notice of the hearing:

(i) be published at least seven days prior to the hearing in at least one issue of a newspaper of general circulation published in the county or counties in which the district is located; or

(ii) if no newspaper is published, be posted in three public places within the district.

(2) If the budget hearing is held in conjunction with a tax increase hearing, the notice shall be published in accordance with Sections 59-2-918 and 59-2-919.

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17B-1-610. Public hearing on tentatively adopted budget.

At the time and place advertised, or at any time or any place to which the public hearing may be adjourned, the board of trustees shall:

- (1) hold a public hearing on the budgets tentatively adopted; and
- (2) give all interested persons in attendance an opportunity to be heard on the estimates of revenues and expenditures or any item in the tentative budget of any fund.

17B-1-611. Continuing authority of governing body.

After the conclusion of the public hearing, the board of trustees:

- (1) may:
  - (a) continue to review the tentative budget;
  - (b) insert any new items; or
  - (c) increase or decrease items of expenditure that were the proper subject of consideration at the public hearing;
- (2) may not decrease the amount appropriated for debt retirement and interest or reduction of any existing deficits, as provided by Section 17B-1-613; and
- (3) shall increase or decrease the total anticipated revenue to equal the net change in proposed expenditures in the budget of each fund.

17B-1-612. Accumulated fund balances - Limitations - Excess balances - Unanticipated excess of revenues - Reserves for capital projects.

- (1) (a) A local district may accumulate retained earnings or fund balances, as appropriate, in any fund.
- (b) For the general fund only, an accumulated fund balance may be used only:
  - (i) to provide working capital to finance expenditures from the beginning of the budget year until general property taxes or other applicable revenues are collected, subject to Subsection (1)(c);
  - (ii) to provide a resource to meet emergency expenditures under Section 17B-1-623; and
  - (iii) to cover a pending year-end excess of expenditures over revenues from an unavoidable shortfall in revenues, subject to Subsection (1)(d).
- (c) Subsection (1)(b)(i) may not be construed to authorize a local district to appropriate a fund balance for budgeting purposes, except as provided in Subsection (4).
- (d) Subsection (1)(b)(iii) may not be construed to authorize a local district to appropriate a fund balance to avoid an operating deficit during a budget year except:
  - (i) as provided under Subsection (4); or
  - (ii) for emergency purposes under Section 17B-1-623.
- (2) The accumulation of a fund balance in the general fund may not exceed the greater of:
  - (a) 100% of the current year's property tax; or
  - (b) (i) 25% of the total general fund revenues for a district with an annual general fund budget greater than \$100,000; or
  - (ii) 50% of the total general fund revenues for a district with an annual general fund budget equal to or less than \$100,000.
- (3) If the fund balance at the close of any fiscal year exceeds the amount permitted under Subsection (2),

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the district shall appropriate the excess in the manner provided in Section 17B-1-613.

(4) Any fund balance in excess of 5% of the total revenues of the general fund may be utilized for budget purposes.

(5) (a) Within a capital projects fund the board of trustees may, in any budget year, appropriate from estimated revenue or fund balance to a reserve for capital projects for the purpose of financing future specific capital projects, including new construction, capital repairs, replacement, and maintenance, under a formal long-range capital plan adopted by the board of trustees.

(b) A local district may allow a reserve amount under Subsection (5)(a) to accumulate from year to year until the accumulated total is sufficient to permit economical expenditure for the specified purposes.

(c) A local district may disburse from a reserve account under Subsection (5)(a) only by a budget appropriation adopted in the manner provided by this part.

(d) Expenditures from the above appropriation budget accounts shall conform to all requirements of this part relating to execution and control of budgets.

17B-1-613. Appropriations not to exceed estimated expendable revenue - Determination of revenue - Appropriations for existing deficits.

(1) The board of trustees of a local district may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget year of the fund.

(2) In determining the estimated expendable revenue of the general fund for the budget year there is included as an appropriation from the fund balance that portion of the fund balance at the close of the last completed fiscal year, not previously included in the budget of the current year, that exceeds the amount permitted in Section 17B-1-612.

(3) (a) There is included as an item of appropriation in each fund for any budget year any existing deficit created in accordance with Section 17B-1-623 as of the close of the last completed fiscal year, not previously included in the budget of the current year, to the extent of at least 5% of the total revenue of the fund in its last completed fiscal year.

(b) If the total amount of the deficit is less than 5% of the total revenue in the last completed fiscal year, the entire amount of the deficit shall be included.

(c) The entire amount of any deficit which results from activities other than those described in Section 17B-1-623 shall be included as an item of appropriation in each fund for any budget year not previously included in the budget of the current year.

17B-1-614. Adoption of final budget - Certification and filing.

(1) The board of trustees of each local district shall by resolution adopt a budget for the ensuing fiscal year for each fund for which a budget is required under this part prior to the beginning of the fiscal year, except as provided in Sections 59-2-919 through 59-2-923.

(2) The local district's budget officer shall certify a copy of the final budget for each fund and file it with the state auditor within 30 days after adoption.

17B-1-615. Budgets in effect for budget year.

(1) Upon final adoption, each budget shall be in effect for the budget year, subject to amendment as

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provided in this part.

(2) A certified copy of the adopted budgets shall be filed in the district office and shall be available to the public during regular business hours.

17B-1-616. Property tax levy - Amount in budget as basis for determining.

From the effective date of the budget or of any amendment enacted prior to the date on which property taxes are levied, the amount stated as the amount of estimated revenue from property taxes shall constitute the basis for determining the property tax levy to be set by the board of trustees for the corresponding tax year, subject to the applicable limitations imposed by law.

17B-1-617. Fund expenditures - Budget officer's duties.

(1) The budget officer of each local district shall require all expenditures within each fund to conform with the fund budget.

(2) No appropriation may be encumbered and no expenditure may be made against any fund appropriation unless there is sufficient unencumbered balance in the fund's appropriation, except in cases of emergency as provided in Section 17B-1-623.

17B-1-618. Purchasing procedures.

All purchases or encumbrances by a local district shall be made or incurred according to the purchasing procedures established by each district by resolution and only on an order or approval of the person or persons duly authorized.

17B-1-619. Expenditures or encumbrances in excess of appropriations prohibited - Processing claims.

(1) A local district may not make or incur expenditures or encumbrances in excess of total appropriations in the budget as adopted or as subsequently amended.

(2) An obligation contracted by any officer in excess of total appropriations in the budget is not enforceable against the district.

(3) No check or warrant to cover a claim against an appropriation may be drawn until the claim has been processed as provided by this part.

17B-1-620. Transfer of appropriation balance between accounts in same fund.

(1) The board of trustees of each local district shall establish policies for the transfer of any unencumbered or unexpended appropriation balance or portion of the balance from one account in a fund to another account within the same fund, subject to Subsection (2).

(2) An appropriation for debt retirement and interest, reduction of deficit, or other appropriation required by law or covenant may not be reduced below the minimums required.

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17B-1-621. Review of individual governmental fund budgets - Hearing.

- (1) The board of trustees of a local district may, at any time during the budget year, review the individual budgets of the governmental funds for the purpose of determining if the total of any of them should be increased.
- (2) If the board of trustees decides that the budget total of one or more of these funds should be increased, it shall follow the procedures established in Sections 17B-1-609 and 17B-1-610 for holding a public hearing.

17B-1-622. Amendment and increase of individual fund budgets.

- (1) After holding the hearing referred to in Section 17B-1-621, the board of trustees may, by resolution, amend the budgets of the funds proposed to be increased, so as to make all or part of the increases, both estimated revenues and appropriations, which were the proper subject of consideration at the hearing.
- (2) The board of trustees may not adopt an amendment to the current year budgets of any of the funds established in Section 17B-1-605 after the last day of the fiscal year.

17B-1-623. Emergency expenditures.

The board of trustees of a local district may, by resolution, amend a budget and authorize an expenditure of money that results in a deficit in the district's general fund balance if:

- (1) the board determines that:
  - (a) an emergency exists; and
  - (b) the expenditure is reasonably necessary to meet the emergency; and
- (2) the expenditure is used to meet the emergency.

17B-1-624. Lapse of appropriations - Exceptions.

All unexpended or unencumbered appropriations, except capital projects fund appropriations, lapse at the end of the budget year to the respective fund balance.

17B-1-625. Transfer of balances in special funds.

If the necessity for maintaining any special fund of a district ceases to exist and a balance remains in the fund, the board of trustees shall authorize the transfer of the balance to the fund balance in the general fund of the district, subject to the following:

- (1) Any balance remaining in a special assessment fund and not required in its guaranty fund shall be treated in the manner provided in Sections 11-42-413 and 11-42-701.
- (2) Any balance remaining in a capital projects fund shall be transferred to the appropriate debt service fund or other fund as the bond covenants may require and otherwise to the fund balance account in the general fund.
- (3) If any balance held in a trust fund for a specific purpose, other than a cemetery perpetual care trust fund, is to be transferred because its original purpose or restriction has ceased to exist, a public hearing shall be held in the manner provided in Sections 17B-1-609 and 17B-1-610. The published notice shall

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invite those persons who contributed to the fund to appear at the hearing. If the board of trustees determines the fund balance amounts are refundable to the original contributors, a 30-day period following the hearing shall be allowed for persons having an interest in the fund to file with the board of trustees a verified claim only for the amount of each claimant's contributions. Any claim not so filed shall be barred. Any balance remaining, after refunds to eligible contributors, shall be transferred to the fund balance account in the general fund of the district.

(4) If the board of trustees decides, in conformity with applicable laws, that the need for continuing maintenance of its cemetery perpetual care trust fund no longer exists, it may transfer the balance in the fund to the capital projects fund for expenditure for land, buildings, and major improvements to be used exclusively for cemetery purposes.

17B-1-626. Loans by one fund to another.

Subject to restrictions imposed by bond covenants, statute, or other controlling regulations, the board of trustees of a local district may authorize interfund loans from one fund to another at interest rates, repayment terms, and conditions prescribed by the board of trustees.

17B-1-627. Property tax levy - Time for setting - Computation of total levy - Apportionment of proceeds - Maximum levy.

(1) The board of trustees of each local district authorized to levy a property tax, at a regular meeting or special meeting called for that purpose, shall, by resolution, set the real and personal property tax rate for various district purposes by the date set under Section 59-2-912, but the rate may be set at an appropriate later date in accordance with Sections 59-2-918 through 59-2-923.

(2) In its computation of the total levy, the board of trustees shall determine the requirements of each fund for which property taxes are to be levied and shall specify in its resolution adopting the tax rate the amount apportioned to each fund.

(3) The proceeds of the levy apportioned for general fund purposes shall be credited as revenue in the general fund.

(4) The proceeds of the levy apportioned for special fund purposes shall be credited to the appropriate accounts in the applicable special funds.

(5) The combined levies for each district for all purposes in any year, excluding the retirement of general obligation bonds and the payment of any interest on the bonds, and any taxes expressly authorized by law to be levied in addition, may not exceed the limit enumerated by the laws governing each district.

17B-1-628. Certification of resolution setting levy.

The district clerk, as appointed under Section 17B-1-631, shall certify the resolution setting the levy to the county auditor, or auditors if the district is located in more than one county, in accordance with Section 59-2-912, or in the case of a tax rate increase in excess of the certified rate, in accordance with Section 59-2-920.

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17B-1-629. Operating and capital budgets.

(1) (a) As used in this section, "operating and capital budget" means a plan of financial operation for a proprietary or other required special fund, embodying estimates of operating resources and expenses and other outlays for a fiscal year.

(b) Except as otherwise expressly provided, the reference to "budget" or "budgets" and the procedures and controls relating to them in other sections of this part do not apply or refer to the "operating and capital budgets" provided for in this section.

(2) On or before the time the board of trustees adopts budgets for the governmental funds under Section 17B-1-605, it shall adopt for the ensuing year an operating and capital budget for each proprietary fund and shall adopt the type of budget for other special funds which is required by the Uniform Accounting Manual for Local Districts.

(3) Operating and capital budgets shall be adopted and administered in the following manner:

(a) (i) On or before the first regularly scheduled meeting of the board of trustees, in November for calendar year entities and May for fiscal year entities, the budget officer shall prepare for the ensuing fiscal year, and file with the board of trustees, a tentative operating and capital budget for each proprietary fund and for other required special funds, together with specific work programs and any other supporting data required by the board.

(ii) If, within any proprietary fund, allocations or transfers that are not reasonable allocations of costs between funds are included in a tentative budget, a written notice of the date, time, place, and purpose of the hearing shall be mailed to utility fund customers at least seven days before the hearing.

(iii) The purpose portion of the notice required under Subsection (3)(a)(ii) shall identify:

(A) the enterprise utility fund from which money is being transferred;

(B) the amount being transferred; and

(C) the fund to which the money is being transferred.

(b) (i) The board of trustees shall review and consider the tentative budgets at any regular meeting or special meeting called for that purpose.

(ii) The board of trustees may make any changes in the tentative budgets that it considers advisable.

(c) Budgets for proprietary or other required special funds shall comply with the public hearing requirements established in Sections 17B-1-609 and 17B-1-610.

(d) (i) The board of trustees shall adopt an operating and capital budget for each proprietary fund for the ensuing fiscal year before the beginning of each fiscal year, except as provided in Sections 59-2-919 through 59-2-923.

(ii) A copy of the budget as finally adopted for each proprietary fund shall be certified by the budget officer and filed by the officer in the district office and shall be available to the public during regular business hours.

(iii) A copy of the budget shall also be filed with the state auditor within 30 days after adoption.

(e) (i) Upon final adoption, the operating and capital budget is in effect for the budget year, subject to later amendment.

(ii) During the budget year, the board of trustees may, in any regular meeting or special meeting called for that purpose, review any one or more of the operating and capital budgets for the purpose of determining if the total of any of them should be increased.

(iii) If the board of trustees decides that the budget total of one or more of these proprietary funds should be increased, the board shall follow the procedures established in Section 17B-1-630.

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(f) Expenditures from operating and capital budgets shall conform to the requirements relating to budgets specified in Sections 17B-1-617 through 17B-1-620.

17B-1-630. Increase in appropriations for operating and capital budget funds - Notice.

The total budget appropriation of any fund described in Section 17B-1-629 may be increased by resolution of the board of trustees at any regular meeting, or special meeting called for that purpose, if written notice of the time, place, and purpose of the meeting has been mailed or delivered to all members of the board of trustees at least five days prior to the meeting. The notice may be waived in writing or orally during attendance at the meeting by any member of the board of trustees.

17B-1-631. District clerk - Meetings and records.

(1) The board of trustees of each local district shall appoint a district clerk.  
(2) If required, the clerk may be chosen from among the members of the board of trustees, except the chair. (3) The district clerk or other appointed person shall attend the meetings and keep a record of the proceedings of the board of trustees.

17B-1-632. District clerk - Bookkeeping duties.

The district clerk or other designated person not performing treasurer duties shall maintain the financial records for each fund of the local district and all related subsidiary records, including a list of the outstanding bonds, their purpose, amount, terms, date, and place payable.

17B-1-633. District treasurer - Duties generally.

(1) (a) The board of trustees of each local district shall appoint a district treasurer.  
(b) (i) If required, the treasurer may be chosen from among the members of the board of trustees, except that the board chair may not be district treasurer.  
(ii) The district clerk may not also be the district treasurer.  
(2) The district treasurer is custodian of all money, bonds, or other securities of the district.  
(3) The district treasurer shall:  
(a) determine the cash requirements of the district and provide for the deposit and investment of all monies by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act;  
(b) receive all public funds and money payable to the district within three business days after collection, including all taxes, licenses, fines, and intergovernmental revenue;  
(c) keep an accurate detailed account of all monies received under Subsection (3)(b) in the manner provided in this part and as directed by the district's board of trustees by resolution; and  
(d) collect all special taxes and assessments as provided by law and ordinance.

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17B-1-634. Receipts for payment.

The district treasurer shall give or cause to be given to every person paying money to the district treasury, a receipt or other evidence of payment, specifying, as appropriate, the date of payment and upon which account paid and shall file the duplicate of the receipt.

17B-1-635. Duties with respect to issuance of checks.

(1) The district clerk or other designated person not performing treasurer duties shall prepare the necessary checks after having determined that:

(a) the claim was authorized by:

(i) the board of trustees; or

(ii) the local district financial officer, if the financial officer is not the clerk, in accordance with Section 17B-1-642;

(b) the claim does not over expend the appropriate departmental budget established by the board of trustees; and

(c) the expenditure was approved in advance by the board of trustees or its designee.

(2) (a) (i) The treasurer or any other person appointed by the board of trustees shall sign all checks.

(ii) The person maintaining the financial records may not sign any single signature check.

(b) In a local district with an expenditure budget of less than \$50,000 per year, a member of the board of trustees shall also sign all checks.

(c) Before affixing a signature, the treasurer or other designated person shall determine that a sufficient amount is on deposit in the appropriate bank account of the district to honor the check.

17B-1-636. Special assessments - Application of proceeds.

All money received by the treasurer on any special assessment shall be applied to the payment of the improvement for which the assessment was made. The money shall be used for the payment of interest and principal on bonds or other indebtedness issued in settlement, and may not be used for any other purpose except as provided in Section 17B-1-625.

17B-1-637. Deposit of district funds - Commingling with personal funds unlawful - Suspension from office.

The treasurer shall promptly deposit all district funds in the appropriate bank accounts of the district. It shall be unlawful for any person to commingle district funds with the person's own money. If it appears that the treasurer or any other officer is making a profit out of public money, or is using the same for any purpose not authorized by law, the treasurer or officer shall be suspended from office.

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17B-1-638. Quarterly financial reports required.

The district clerk or other delegated person shall prepare and present to the board of trustees detailed quarterly financial reports showing the financial position and operations of the district for that quarter and the year to date status.

17B-1-639. Annual financial reports - Independent audit reports.

(1) Within 180 days after the close of each fiscal year, the district shall prepare an annual financial report in conformity with generally accepted accounting principles as prescribed in the Uniform Accounting Manual for Local Districts.

(2) The requirement under Subsection (1)(a) to prepare an annual financial report may be satisfied by presentation of the audit report furnished by the independent auditor.

(3) Copies of the annual financial report or the audit report furnished by the independent auditor shall be filed with the state auditor and shall be filed as a public document in the district office.

17B-1-640. Independent audits required.

(1) Independent audits of all local districts are required to be performed in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

(2) The board of trustees shall appoint an independent auditor for the purpose of complying with the requirements of this section and with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act.

17B-1-641. Local district may expand uniform procedures - Limitation.

(1) Subject to Subsection (2), a local district may expand the uniform accounting, budgeting, and reporting procedure prescribed in the Uniform Accounting Manual for Local Districts prepared by the state auditor under Subsection 67-3-1(13), to better serve the needs of the district.

(2) A local district may not deviate from or alter the basic prescribed classification systems for the identity of funds and accounts set forth in the Uniform Accounting Manual for Local Districts.

17B-1-642. Approval of district expenditures.

(1) The board of trustees of each local district shall approve all expenditures of the district except as otherwise provided in this section.

(2) The board of trustees may authorize the district manager or other official approved by the board to act as the financial officer for the purpose of approving:

(a) payroll checks, if the checks are prepared in accordance with a schedule approved by the board; and  
(b) routine expenditures, such as utility bills, payroll-related expenses, supplies, and materials.

(3) Notwithstanding Subsection (2), the board of trustees shall, at least quarterly, review all expenditures authorized by the financial officer.

(4) The board of trustees shall set a maximum sum over which all purchases may not be made without the

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board's approval.

17B-1-643. Imposing or increasing a fee for service provided by local district.

(1) (a) Before imposing a new fee or increasing an existing fee for a service provided by a local district, each local district board of trustees shall first hold a public hearing at which any interested person may speak for or against the proposal to impose a fee or to increase an existing fee.

(b) Each public hearing under Subsection (1)(a) shall be held in the evening beginning no earlier than 6 p.m.

(c) A public hearing required under this Subsection (1) may be combined with a public hearing on a tentative budget required under Section 17B-1-610.

(d) Except to the extent that this section imposes more stringent notice requirements, the local district board shall comply with Title 52, Chapter 4, Open and Public Meetings Act, in holding the public hearing under Subsection (1)(a).

(2) (a) Each local district board shall give notice of a hearing under Subsection (1) as provided in Subsection (2)(b)(i) or (ii).

(b) (i) (A) The notice required under Subsection (2)(a) shall be published in a newspaper or combination of newspapers of general circulation in the local district, if there is a newspaper or combination of newspapers of general circulation in the local district.

(B) The notice shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border.

(C) The notice may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(D) It is legislative intent that, whenever possible, the advertisement appear in a newspaper that is published at least one day per week.

(E) It is further the intent of the Legislature that the newspaper or combination of newspapers selected be of general interest and readership in the local district, and not of limited subject matter.

(F) The notice shall be run once each week for the two weeks preceding the hearing.

(G) The notice shall state that the local district board intends to impose or increase a fee for a service provided by the local district and will hold a public hearing on a certain day, time, and place fixed in the notice, which shall be not less than seven days after the day the first notice is published, for the purpose of hearing comments regarding the proposed imposition or increase of a fee and to explain the reasons for the proposed imposition or increase.

(ii) (A) If there is no newspaper or combination of newspapers of general circulation in the local district, the local district board shall post at least one notice per 1,000 population within the local district, at places within the local district that are most likely to provide actual notice to residents within the local district.

(B) Each notice under Subsection (2)(b)(ii)(A) shall comply with Subsection (2)(b)(i)(G).

(c) (i) In lieu of providing notice under Subsection (2)(b), the local district board of trustees may give the notice required under Subsection (2)(a) by mailing the notice to those within the district who:

(A) will be charged the fee for a district service, if the fee is being imposed for the first time; or

(B) are being charged a fee, if the fee is proposed to be increased.

(ii) Each notice under Subsection (2)(c)(i) shall comply with Subsection (2)(b)(i)(G).

(iii) A notice under Subsection (2)(c)(i) may accompany a district bill for an existing fee.

(d) If the hearing required under this section is combined with the public hearing required under Section

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17B-1-610, the notice requirement under this Subsection (2) is satisfied if a notice that meets the requirements of Subsection (2)(b)(i)(G) is combined with the notice required under Section 17B-1-609.

(e) Proof that notice was given as provided in Subsection (2)(b) or (c) is prima facie evidence that notice was properly given.

(f) If no challenge is made to the notice given of a hearing required by Subsection (1) within 30 days after the date of the hearing, the notice is considered adequate and proper.

(3) After holding a public hearing under Subsection (1), a local district board may:

(a) impose the new fee or increase the existing fee as proposed;

(b) adjust the amount of the proposed new fee or the increase of the existing fee and then impose the new fee or increase the existing fee as adjusted; or

(c) decline to impose the new fee or increase the existing fee.

(4) This section applies to each new fee imposed and each increase of an existing fee that occurs on or after July 1, 1998.

(5) (a) This section does not apply to an impact fee.

(b) The imposition or increase of an impact fee is governed by Title 11, Chapter 36, Impact Fees Act.

17B-1-644. Definitions - Electronic payments - Fee.

(1) As used in this section:

(a) "Electronic payment" means the payment of money to a local district by electronic means, including by means of a credit card, charge card, debit card, prepaid or stored value card or similar device, or automatic clearinghouse transaction.

(b) "Electronic payment fee" means an amount of money to defray the discount fee, processing fee, or other fee charged by a credit card company or processing agent to process an electronic payment.

(c) "Processing agent" means a bank, transaction clearinghouse, or other third party that charges a fee to process an electronic payment.

(2) A local district may accept an electronic payment for the payment of funds which the local district could have received through another payment method.

(3) A local district that accepts an electronic payment may charge an electronic payment fee.