

**160.550 Expenditure of funds in excess of income and revenue of any year -- Certification of school district -- Penalties. (Effective July 15, 2026)**

- (1) No superintendent shall recommend and no board member shall knowingly vote for an expenditure in excess of the income and revenue of any year, as shown by the working budget adopted by the board and approved by the Kentucky Board of Education, except for a purpose for which bonds have been voted or in case of an emergency declared by the Kentucky Board of Education.
- (2) Any school district having authorized an expenditure in violation of subsection (1) of this section may be so certified at any time by the Kentucky Board of Education. A district so certified shall thereafter, any contrary statutory provisions notwithstanding, make no expenditure of money, give no authorization involving the expenditure of money, and make no employment, purchase, or contract, unless the chief state school officer has approved in writing, as fiscally sound and necessary, the expenditure, authorization, employment, purchase, or contract. Any expenditure, authorization, employment, purchase, or contract made in violation of this subsection shall be void.
- (3) Any school district subject to the provisions of subsection (2) of this section shall so remain until such time as the Kentucky Board of Education has approved, in conformity with KRS 160.461, a working budget for the district for a succeeding fiscal year.
- (4) In addition to the penalties set forth in KRS 160.990, any person who knowingly expends or authorizes the expenditure of school district funds or who knowingly authorizes or executes any employment, purchase, or contract, in violation of this section, shall be jointly and severably liable in person and upon any official bond he has given to such district to the extent of any payments on the void claim. For purposes of this section, "knowingly" shall mean a person acts with respect to conduct or to a circumstance described by a statute defining an offense when he is aware that his conduct is of that nature or that the circumstance exists.

**Effective:** July 15, 2026

**History:** Amended 2026 Ky. Acts ch. 129, sec. 11, effective July 15, 2026. -- Amended 1996 Ky. Acts ch. 362, sec. 6, effective July 15, 1996. -- Amended 1990 Ky. Acts ch. 476, Pt. IV, sec. 234, effective July 13, 1990. -- Amended 1982 Ky. Acts ch. 92, sec. 1, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 155, sec. 82, effective June 17, 1978. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4399-45.