

EDUCATION AND LABOR CABINET
Kentucky Board of Education
Department of Education
(Amendment)

702 KAR 3:130. Internal accounting.

RELATES TO: KRS Chapter 45A, 66.480, 156.029, 156.076, 156.160, 156.200, 156.265, 158.290, Chapter 160, Chapter 238, 424.260

STATUTORY AUTHORITY: KRS 156.070, 156.160, 156.200

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.070(1) requires the Kentucky Board of Education to manage and control the common schools. KRS 156.200 requires the Kentucky Board of Education to regulate accounting procedures and reports of local school districts. KRS 156.160 requires the Kentucky Board of Education to promulgate administrative regulations establishing standards which school districts shall meet in student, program, service, and operational performance. This administrative regulation establishes uniform procedures for the accounting of school activity funds.

Section 1. Definition. "School activity funds" means all school funds including funds derived from fundraising activities sponsored under the auspices of the school and does not mean funds raised or received by organizations that do not come under the direct supervision of school authorities.

Section 2. District Responsibilities.

(1) A local board of education shall have the responsibility for administration and control of all school activity funds and comply with "Accounting Procedures for Kentucky School Activity Funds", which is also known as the "Redbook".

(2)

(a) The August 2019 edition of the Redbook shall be used through July 31, 2026, or until the effective date of this administrative regulation whichever is later.

(b) The August 2026 edition of the Redbook shall be used beginning on August 1, 2026, or upon the effective date of this administrative regulation whichever is later.

Section 3. Audits.

(1) School activity fund internal accounts shall be audited annually by a certified public accountant, and a report shall be made to the local board of education.

(2) Audit reports shall be reviewed and accepted by the local board of education, and appropriate action taken.

Section 4. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) "Accounting Procedures for Kentucky School Activity Funds", August 2019; and

(b) "Accounting Procedures for Kentucky School Activity Funds", August 2026.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Department of Education, Division of District Support, 300 Sower Boulevard, 4th Floor, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m. This material may also be viewed at: <https://www.education.ky.gov/districts/legal/Pages/Kentucky-Revised-Statutes.aspx>.

COMPILER'S NOTE: 2025 RS HB 6, enacted by the General Assembly on March 27, 2025, altered the information to be provided at the time an administrative regulation is filed. Aside from formatting changes necessary to upload the regulation into the LRC's publication application, this regulation has been published as submitted by the agency.

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

DR. ROBBIE FLETCHER, Commissioner

SHARON PORTER ROBINSON, Chair

APPROVED BY AGENCY: December 8, 2025

FILED WITH LRC: December 10, 2025 at noon

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on February 24, 2026, at 10 a.m., in the State Board Room, Fifth Floor, 300 Sower Boulevard, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through February 28, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Todd G. Allen, General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, KY 40601, phone 502-564-4474, fax 502-564-9321, email regcomments@education.ky.gov.