



Updated June 24, 2026

General Fund: Flexibility Account

[Iowa Code section 298A.2](#) grants flexibility to school districts for how unexpended, unobligated amounts for certain categorical funds can be used through the creation and utilization of a Flexibility Account within the General Fund. A school district may authorize a transfer of all or any portion of the unexpended, unobligated amounts remaining at the end of a fiscal year to the Flexibility Account from the categorical funds listed below.

- Project 3117: Statewide Voluntary Preschool Program (SWVPP)
- Project 3373 or 3376: Professional Development (PD)
- Project 1113: Home School Assistance Program (HSAP)
- Project 3116: Teacher Leadership & Compensation Supplement (TLC)
- Other categorical sources if the program, purpose, or requirements for the expenditure of such moneys have been repealed or are no longer in effect

Approved Uses

The district's school board is required to identify, as part of the statutorily required resolution, how the funds being transferred into the flexibility account will be used. Allowable uses of Flexibility Account funds are provided below.

1. Start-up costs for an approved local program under the statewide preschool program for four-year-old children under [Iowa Code chapter 256C](#).
2. Professional development requirements under [Iowa Code chapter 284](#).
3. The home school assistance program under [Iowa Code section 299A.12](#).
4. At-risk pupil programs, alternative programs and alternative school programs, and returning dropout and dropout prevention programs under [Iowa Code section 257.40](#).
5. Gifted and talented children programs under [Iowa Code section 257.46](#).
6. For deposit in the unpaid student meals account to be used for purposes of paying student meal debt accrued by individual students in accordance with [Iowa Code section 283A.11\(6\)](#).
7. An approved flexible student and school support program under [Iowa Code section 256.11\(8\)](#).
8. Any school district general fund purpose.

Required Board Resolution

Any spending from the Flexibility Account must be approved through a resolution of the district's board, after a public hearing pursuant to Iowa Code section 24.9, and shall be included in the district's certified budget. The approved resolution is required to be sent to the Department and be available for any audit performed under [Iowa Code chapter 11](#).

The board resolution must include the details below.

- Original source (e.g., SWVPP, PD) and purpose of the funds
- Proposed use of such funds
- Amount of the proposed expenditure
- Fiscal year from which the transfer of such funds to the Flexibility Account occurred
- Certification that the statutory requirements for each original source of the money proposed to be used have been met, have been repealed, or are no longer in effect

Allowable Sources

The following project codes are assigned in the [Iowa Chart of Account Coding](#) to assist districts in addressing the legislative requirements to establish a Flexibility Account and transferring unexpended, unobligated remaining funds from an allowable categorical fund to the Flexibility Account.

- Project 3170: Flexibility Fund Accounts (General Fund Only) (Effective FY19)
- Project 3173: Flexibility Fund Account Originating from Excess HSAP (Source: Project 1113) Funds
- Project 3174: Flexibility Fund Account Originating from Excess Teacher Leadership Supplement (Source: Project 3116) Funds
- Project 3176: Flexibility Fund Account Originating from Excess Professional Development (Source: Projects 3373 or 3376) Funds
- 3177 Flexibility Fund Account Originating from Excess Statewide Voluntary Preschool (Source: Project 3117) Funds
- Project 3180: Flexibility Fund Accounts from Other Discontinued General Fund Grant and/or Categorical Funds (Effective FY19)
- Project 318X: District-Defined Flexibility Fund Accounts from Other General Fund Discontinued Grants / Categorical Funds

Accounting

Coding Transfers

Account code entries for transfers to the Flexibility Account are provided below. Function 2310 Board of Education Services (2311, Supervision of Board of Education Services if using detail) is used since the intrafund transfer should be approved by the school board prior to the transfer.

- Debit Function 231X, Program XXX, (current) Project XXXX, Object 958
- Credit Function 231X, Program XXX, (new) Project XXXX, Object 958

Example: Transfer \$5,000 of the prior year unexpended, unobligated balance from Home School Assistance Program funds to the Flexibility Account.

- Debit Function 231X, Program XXX, Project 1113, Object 958 for \$5,000 (account would ultimately close into Account 729, Project 1113)
- Credit function 231X, program XXX, project 3173, object 958 for \$5,000 (account would ultimately close into account 729, project 3173)

Coding Expenditures

The account code dimensions used to detail expenditures from the Flexibility Account will be coded as usual for the transaction, but will include the specific Flexibility Account project number.

- Debit Function 1XXX, Program 1XX, Project 3173, Object 612 for \$5,000 (the expenditure would ultimately close into Account 729, Project 3173)

Resolution and Questions

Board-approved resolutions and questions relating to the Flexibility Account can be directed to Sheila Tharp at sheila.tharp@iowa.gov or 515-205-0259.