**Section 100.40 Types of Funds, Basis of Accounting, and Recognition of Transactions**

a) Each school board shall establish general, special revenue, capital project, debt service, permanent, enterprise, internal service, pension and employee benefit trust, investment trust, agency, and private-purpose funds, as applicable to the district's circumstances and the basis of accounting used.

b) Pursuant to Section 10-17 of the School Code [105 ILCS 5/10-17], each school board may use either a cash basis or an accrual basis of accounting.

c) When the accrual basis is used:

1) Property taxes for the budget year that are levied on or before the last Tuesday in December shall be shown as a receivable on the balance sheet as of January 1 and recorded as revenue if received, or reasonably expected to be received, on or before August 31. Property taxes that are receivable after August 31 but not yet received shall be treated and reported as revenue. Property taxes levied after the last Tuesday in December but prior to June 30 of the fiscal year shall be shown as a receivable as of the date of the levy and recorded as revenue.

2) General State Aid payments for the months of June and July of a fiscal year shall be treated as revenue received in that fiscal year, provided that the payments are received prior to August 31 following the end of the fiscal year.

3) Pass-through grants shall be treated as revenues if the recipient exercises administrative or financial control over the program in question. If the recipient serves only as a cash conduit, the pass-through grant shall be accounted for in an agency fund.