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**DATE:** November 3, 2009

**TO:** Accounting Managers  
K-12 School Districts

**FROM:** Geri Tims, Coordinator  
*gmt* District Fiscal Services  
Division of Administration and Business Services  
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**SUBJECT:** Annual Accounting for Developer Fees

**ACTION:** **District Action Needed**

Government Code Sections 66001 and 66006 impose detailed requirements on public agencies that levy developer fees. These sections require that school districts collecting school facilities fees complete an accounting regarding those fees within 180 days of the end of the fiscal year. In addition, the governing board must review the information at their next regularly scheduled meeting held no earlier than 15 days after the accounting information was made available to the public. Section 66001(d) requires districts collecting developer fees to make additional findings about any funds which remain unexpended at the end of the fifth fiscal year and every five years thereafter.

Specifically, per Government Code section 66006(b), within 180 days of the end of the fiscal year, districts must make available to the public the following information:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund.
- The amount of fees collected and interest earned.
- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with the fees.
- An identification of an approximate date by which the construction of the public improvement will commence if the LEA determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- A description of each interfund transfer or loan made from the account or fund.
- The amount of refunds made.

FCMAT has posted an advisory from School and College Legal Service regarding this annual accounting of developer fees and the requirements of the above mentioned code sections. The advisory also contains sample resolution language and can be found at:

<http://wwwstatic.kern.org/gems/fcmat/LegalAlert092005.pdf>

Please contact your designated coordinator if you have any questions, or need additional information.

GT:mh