

Summary of District Court Decision: Iowa Joint Utilities Management Program, Inc. (IJUMP)

In a decision dated June 30, 2005, the Iowa District Court for Polk County (Court) upheld the declaratory orders previously issued on March 4, 2005 by the Iowa Auditor of State and Iowa Department of Education (Agencies). In its analysis, the Court agreed with the Agencies' rulings that IJUMP's Fuel Risk Management Program (Program) does not constitute "insurance," "self-insurance," or "a local government risk pool." As such, the risk management fee associated with this Program may not be paid from the Management Levy pursuant to Chapter 298.4 of the Code of Iowa.

Audit Implication - CPA firms performing audits of Iowa school districts should review this for compliance. Noncompliance should be reported including a recommendation for corrective transfer, if applicable.