

NEW BUSINESS MANAGERS

SOUTH DAKOTA ASBO, SPRING 2016

FINANCIAL CHART OF ACCOUNTS

Changes to Chart of Accounts – effective FY2017

- ❑ **New codes to object level of salaries**
 - Addition of sub-objects to report “certified salaries”, “admin salaries”, “classified staff”
 - Function expenditure level may influence what salary code should be used
- ❑ **New codes and updates to object level of supplies**
 - Breakout of non-technology and technology supplies
 - Addition of code for “motor fuel”
- ❑ **Addition of revenue codes for summer school tuition**
- ❑ **Removal of unneeded revenue and expenditure codes**

CODING FOR TECHNOLOGY

- ❑ Supplies are coded as either; technology or non-technology
- ❑ Below is the definitions provided in Chart of Accounts:
 - Non-Technology Supplies – expenditures for consumable non-technology supplies, such as paper, pens, office products, cleaning supplies, etc.
 - 412 Technology Supplies – expenditure for consumable technology supplies that are typically used in conjunction with technology related hardware or software (printer cartridges, cables, flash drives, CD, headphones, etc.)
 - 413 Motor Fuel – expenditures for gas or diesel for district vehicles and buses, this does NOT include heating fuel which should be coded as a utility cost (321).

MORE BUDGETING FOR TECHNOLOGY

- ❑ Instructional Software: 10, 1111, 000, 422 (new object code in FY2017)
- ❑ Electronic Textbooks: 10, 1131, 000, 423 (new object code in FY2017)
- ❑ Non-Instructional Apps: 10, 6100, 000, 472
- ❑ Instructional Apps: 10, 1131, 000, 422
- ❑ Kindles, Nooks, (E-readers): 21, 2222, 000, 471
- ❑ Microsoft Office licenses: 10, 1131, 000, 473 (new object code in FY2017)
- ❑ Admin Computer Software (for example School Messenger):
21, 2311, 000, 472
- ❑ Computers for students: 21, 1131, 000, 541
- ❑ Technology coordinator salary: 10, 2227, 000, 111 or 113

SB133 – CODING FOR SHARED SERVICES

- ❑ SB 133 provided grant money to provide an incentive for school districts to share an employee.
- ❑ Admin rules are under development – state revenue code will be assigned
- ❑ How do you code for a “shared employee”?

Example: District A & B both need a foreign language teacher. If they agree to share an employee – District A may offer the contract and pay salary and benefits to the teacher as a full time teacher and District B would reimburse District A for their agreed upon share.

- Coding for District A:

- Expenditure: 10, 1131, 000, 111 (an also associated benefits)
- Revenue received from District B: 10, 1941

- Coding for District B:

- Expenditure: 10, 1131, 000, 311 (Services purchased from another district)

ANNUAL FINANCIAL REPORTING

EOY GJ ENTRIES:

List of End of Year (EOY) checklist
and common GJ entries:

<http://doe.sd.gov/ofm/schfinance.aspx>

Summary of State Payments:

<http://doe.sd.gov/ofm/statefunding.aspx>

Annual Report Submission:

<https://apps.sd.gov/DP42LaunchPad/Logon.aspx>

NEW FOR FY2016:

All coding levels will be reported:
including operational unit,
facility codes, sub-objects

Monthly cash balance data can be
uploaded or entered by district
for months July through May

FY2016 Teacher Compensation
data will be reported.

NEW STATE FUNDING FORMULA

Blue Ribbon Task Force Formula – Effective FY2017

New K-12 funding formula

The new funding formula, which is based on a target statewide average salary of \$48,500, works as follows:

- For each district, calculate a target student-to-teacher ratio, based on a sliding scale by student enrollment (see below).
- The district's target number of teachers is calculated by dividing the district's fall enrollment by the target student-to-teacher ratio.
- The district's total instructional need is calculated by multiplying the district's target number of teachers by the statewide target for average teacher salary, and by increasing that total by 29% for benefits.
- The total instructional need is increased by 31% to cover non-instructional costs. This category includes operating costs as well as salaries and benefits of non-instructional staff, such as administrators, guidance counselors, librarians, and school nurses.
- These steps calculate the district's total need for state aid. At this point, local effort is applied against total need, with the state providing any necessary funds to achieve the total need.

85% ACCOUNTABILITIES THRESHOLD

Requirements that new money go to teacher salaries and benefits

The law creates two separate requirements for use of the general fund increase in FY17. Districts must comply with both requirements.

First, a district must spend 85% of its increase in local need in FY17 on instructional salaries and benefits for certified instructional staff.

Second, a district must calculate the percentage by which its local need increases in FY17, and the district's average teacher salaries and benefits must increase by 85% of that percentage increase. (For example, if a district's local need increased by 10%, its average salaries and benefits must increase by 8.5%).

For both requirements, districts can deduct the loss of pension levy proceeds from the increase in local need. Districts are also not required to count increases in local need that result from enrollment increases.

A district that fails to comply with these requirements must will have its FY18 state aid to general education funding decreased by an amount equal to fifty percent of the new money. However, the law creates a School Finance Accountability Board that can recommend waivers for school districts who can demonstrate good cause for failing to meet the requirements.



ACCOUNTABILITY CALCULATOR

- ❑ <http://doe.sd.gov/2016EducationPackage.aspx>
- ❑ Districts can estimate total new funding provided by legislature — total in “dollars expended” and “average teacher compensation” to which the district will be held for accountability compliance.
- ❑ Accountability in FY2018 and beyond:
- ❑ Districts must maintain or increase their average teacher compensation amount calculated for FY2017.

STATE PAYMENTS

- Claims for federal grant reimbursements: <http://doe.sd.gov/ofm/payment.aspx>
- Federal claims paid monthly: submit by 10th, paid by end of month
- State Aid (general, special education, sparsity) – paid monthly
- Check website for calculations: <http://doe.sd.gov/ofm/statefunding.aspx>
- General state aid for months July through October – aid is calculated based on estimated fall 2016 student count and prorated to 90%
- General state aid for months November & December: adjusted for a now verified student count and also adjusted for any back payments (due to 90%), if necessary
- General state aid payments: January through June – adjusted for new local effort calculation.
- Sparsity paid - one time payment – in January

RESOURCES TO MAKE YOUR LIFE EASIER!

- ❑ Dept. of Education website: <http://doe.sd.gov/>
 - ❑ State Aid: <http://doe.sd.gov/ofm/statefunding.aspx>
 - ❑ School Finance: <http://doe.sd.gov/ofm/schfinance.aspx>
 - ❑ School Budget: <http://doe.sd.gov/ofm/schoolbudget.aspx>
 - ❑ Regional Area Meetings
 - ❑ Conference Calls
 - ❑ ASBO Spring & Fall Conferences
 - ❑ Dept. of Legislature Audit – Rod Fortin, (605) 367-5810
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- Contacts: Susan Woodmansey, 773-4748 & Bobbi Leiferman, 773-5407