51ST SOUTH DAKOTA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS FALL CONFERENCE

September 20, 2017

Presenters:
Susan Woodmansey, Bobbi Leiferman – Dept. of Education
FY2018 State Aid Reminders

• General State Aid Levies – Pay 2018
  • Ag $1.507
  • Owner Occupied $3.372
  • Non-Ag $6.978

• FY2018 Per Student Equivalent $5,482.08

• Special Education Levies – Pay 2018
  • Local Effort, Funding Formula $1.261
  • Maximum Levy (requirement for ECF districts) $1.461

• ECF Funding Available for FY2018 - $4,094,662

• State Aid Fall Enrollment Count Date - 9/29/2017
FY2018 State Aid Reminders

- Monthly state aid payments:
  - For July through October – based on estimated student count
  - For November & December – adjusted based on ACTUAL fall count
  - For districts with PRTF programs – October payment may include additional tuition payment for non-IEP students.
  - For “Sparse” districts – payment included in January state aid.
  - For January through June – adjusted for NEW local effort calculations based on pay 2018 levies and valuation.
  - All payments posted monthly to DOE state aid website: http://www.doe.sd.gov/ofm/statefunding.aspx

- All districts should check state aid and district need calculations for both general state aid, special education state aid and sparsity on the above website.

- No Accountabilities for FY2018
Fall 2017 State Aid Fall Enrollment

- Only Fall 2017 student count used for general aid calculations no longer any option to use prior year or 2 year average.
- Count date is Friday, September 29th
- Students NOT included in Fall count:
  - Students over the age of 21
  - PK or EC students
  - Home School students
  - Students at School for Visually Impaired or HSC
- Most common errors to SAFE count:
  - Transposing resident/serving district in Campus
  - Percent of day enrollment for KG student (roll forward from PK last year)
  - Students tuitioned OUT of the district (at the top of the report each student is listed – by name and placement – check that list!)
Recap of Annual Report Data Submission

• Change in Capital Outlay Flexibilities:
  • Starting in FY2017 – districts are allowed to TRANSFER from fund 21 to fund 10, an amount not to exceed 45% of property tax revenues received (sum of 1110 and 1120).
  • Districts may no longer expend from fund 21 for utility costs, fuel and student transportation (there does remain an allowance for up to 15% of the contract student transportation expenditure), etc.

• Tracking Federal Grant Expenditures:
  • ALL restricted federal grant expenditures must be tracked – in all funds! Coding expenditures to functions 1273 or 2128 is NOT sufficient. Also reported expenditures should MATCH your claims!
## Title I Expenditures

<table>
<thead>
<tr>
<th>Fund</th>
<th>Function</th>
<th>Operation Unit</th>
<th>Sub Object</th>
<th>Facility</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 General Fund</td>
<td>1273 Improving the Academic Achievement of the Disadvantaged, Title I</td>
<td>158</td>
<td>000</td>
<td>000</td>
<td>$54,489.00</td>
</tr>
<tr>
<td></td>
<td>110 Certified Staff Salaries</td>
<td>158</td>
<td>000</td>
<td>000</td>
<td>$1,190.00</td>
</tr>
<tr>
<td></td>
<td>120 Temporary Salaries</td>
<td>158</td>
<td>000</td>
<td>000</td>
<td>$3,884.46</td>
</tr>
<tr>
<td></td>
<td>210 Social Security</td>
<td>158</td>
<td>000</td>
<td>000</td>
<td>$1,423.53</td>
</tr>
<tr>
<td></td>
<td>220 Employees Retirement System</td>
<td>000</td>
<td>000</td>
<td>000</td>
<td>$510.42</td>
</tr>
<tr>
<td></td>
<td>230 Group Health/Life/Dental Insurance</td>
<td>158</td>
<td>000</td>
<td>000</td>
<td>$1,637.54</td>
</tr>
</tbody>
</table>

Function 1273 Total $63,134.95

Fund 10 Total $63,134.95

Grand Total $63,134.95

## Title I Revenues

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 General Fund</td>
<td>$61,173.00</td>
</tr>
</tbody>
</table>

$61,175.00
Use Coding to Identify Both Federal Revenue and Expenditures

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4150</td>
<td>Restricted Grants from Federal Government through the State</td>
<td>$74,799.47</td>
</tr>
<tr>
<td>4151</td>
<td>Other Grants Federal Government Through the State</td>
<td>$5,302.47</td>
</tr>
<tr>
<td>4158</td>
<td>Title I Grants - ALL PROGRAMS (84.010)</td>
<td>$61,173.00</td>
</tr>
<tr>
<td>4159</td>
<td>Title II, Part A - Improving Teacher Quality (84.367)</td>
<td>$8,324.00</td>
</tr>
</tbody>
</table>
### How about this one?

#### Title I Expenditures

<table>
<thead>
<tr>
<th>Fund</th>
<th>Function</th>
<th>Operation</th>
<th>Sub</th>
<th>Facility</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 General Fund</td>
<td>1273 Improving the Academic Achievement of the Disadvantaged, Title I</td>
<td>111</td>
<td>000</td>
<td></td>
<td>$15,447.50</td>
</tr>
<tr>
<td></td>
<td>112 Instructional Aide/Paraprofessional Salaries</td>
<td>031</td>
<td>000</td>
<td>000</td>
<td>$77,250.00</td>
</tr>
<tr>
<td></td>
<td>210 Social Security</td>
<td>009</td>
<td>000</td>
<td>000</td>
<td>$47,014.22</td>
</tr>
<tr>
<td></td>
<td>230 Group Health/Life/Dental Insurance</td>
<td>009</td>
<td>000</td>
<td>000</td>
<td>$6,112.59</td>
</tr>
<tr>
<td></td>
<td></td>
<td>000</td>
<td>000</td>
<td>000</td>
<td>$3,358.96</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$11,921.40</td>
</tr>
<tr>
<td></td>
<td>Function 1273 Total</td>
<td></td>
<td></td>
<td></td>
<td>$161,104.67</td>
</tr>
<tr>
<td></td>
<td>Fund 10 Total</td>
<td></td>
<td></td>
<td></td>
<td>$161,104.67</td>
</tr>
</tbody>
</table>

**24 Pension Fund**

<table>
<thead>
<tr>
<th>1273 Improving the Academic Achievement of the Disadvantaged, Title I</th>
<th>220 Employees Retirement System</th>
</tr>
</thead>
<tbody>
<tr>
<td>000</td>
<td>009</td>
</tr>
<tr>
<td>000</td>
<td>000</td>
</tr>
<tr>
<td>000</td>
<td>000</td>
</tr>
<tr>
<td>000</td>
<td>000</td>
</tr>
<tr>
<td>Function 1273 Total</td>
<td>$5,539.91</td>
</tr>
<tr>
<td>Fund 24 Total</td>
<td>$8,353.82</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$169,458.49</td>
</tr>
</tbody>
</table>

#### Title I Revenues

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 General Fund</td>
<td>$77,250.00</td>
</tr>
</tbody>
</table>
Did Your Expenditures Match Your Claims?

- Frequently as we reviewed the claims submitted for federal grant reimbursement on GMS – the expenditures didn’t match!
  For example, there were no supply expenditures reported on claims but yet under expenditure coding 10, 1273, 158, 411 = $3,281?
  Actual expenditures - if tracked and coded as suggested – should make the claiming process very easy and no issues will be raised next year when submitting your annual report.

- There are no specific requirements on this but it is DOE’s recommendation and “best practices” to submit claims for reimbursement at least quarterly.
Why is tracking federal expenditures important?

- Federal financial reports from DOE to USDOE require us to identify how much of the overall expenditures for Title I program were paid with federal Title I grant allocations.
- It is a **federal grant compliance requirement** – DOE grants management staff will require documentation that supports this compliance requirement.
- **ESSA!!! Every Student Succeeds Act**
  - Starting in as early as maybe 2018-2019 districts may need to report federal expenditure cost per student.
  - Based on current financial coding structure used by our SD districts it is most likely that this responsibility will fall on “you” as the business manager of your school district!
Best Practices for Federal Grant Tracking

- SUI provides 3 additional expenditure coding fields:
  - Operational Unit
  - Sub-Object
  - Facility

- Each federal grant should have an unique assigned tracking code (could be operation unit and/or subobject)
  - Title I Basic Grant: 10, 1273, 158, 111, 001, 001
  - Title I Focused & Priority: 10, 1273, 158, 111, 002, 007
  - Title II, Part A (REAP): 10, 1273, 159, 112, 000, 001
  - Title IV, Part A: 10, 1273, 153, 411, 000, 002
  - IDEA, 611: 22, 1221, 175, 111, 101, 002
  - IDEA, 611 Private School: 22, 1221, 175, 111, 102, 003
  - IDEA 619: 22, 1226, 186, 111, 105, 003

- Facility Code would also be used to track funds by school (attendance center) and ideally using the assigned state school code
  [Link](http://www.doe.sd.gov/ofm/edudir.aspx)
<table>
<thead>
<tr>
<th>Fund</th>
<th>Uploaded Beginning Balance</th>
<th>Uploaded Adjustments</th>
<th>Adjusted Balance</th>
<th>Prior Year Ending Balance</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 - General Fund</td>
<td>$470,288.46</td>
<td>($10,216.12)</td>
<td>$460,072.34</td>
<td>$470,288.46</td>
<td>($10,216.12)</td>
</tr>
<tr>
<td>21 - Capital Outlay Fund</td>
<td>$215,792.53</td>
<td>$22,716.00</td>
<td>$238,508.53</td>
<td>$215,792.53</td>
<td>$22,716.00</td>
</tr>
<tr>
<td>22 - Special Education Fund</td>
<td>$29,967.01</td>
<td>$0.00</td>
<td>$29,967.01</td>
<td>$29,967.01</td>
<td>$0.00</td>
</tr>
<tr>
<td>24 - Pension Fund</td>
<td>$9,750.16</td>
<td>$0.00</td>
<td>$9,750.16</td>
<td>$9,750.16</td>
<td>$0.00</td>
</tr>
<tr>
<td>30 - Debt Service Funds</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$498,030.24</td>
<td>($498,030.24)</td>
</tr>
<tr>
<td>33 - Bond Redemption Fund #3</td>
<td>$251,137.49</td>
<td>$0.00</td>
<td>$251,137.49</td>
<td>$251,137.49</td>
<td>$0.00</td>
</tr>
<tr>
<td>51 - Food Service Fund</td>
<td>$14,889.82</td>
<td>$874.40</td>
<td>$15,764.22</td>
<td>$14,889.82</td>
<td>$874.40</td>
</tr>
<tr>
<td>53 - Other Enterprise Funds</td>
<td>$337,063.85</td>
<td>($13,633.02)</td>
<td>$323,430.83</td>
<td>$337,063.85</td>
<td>($13,633.02)</td>
</tr>
</tbody>
</table>

The uploaded balances BEFORE the adjustments match the audit?
I didn’t make an adjustment to the beginning fund balance – how did that get reported?

- An adjustment to a beginning fund balance will be reported if at any time during the fiscal year a general journal entry was made directly to fund balance.

- Why does DOE care? What we most typically find is that the entry was done incorrectly and we are missing revenues or expenditures for the fiscal year.

- Audit corrections if done correctly will adjust your fund balance in the prior fiscal year and then the beginning fund balance will compare to the “audited” ending fund balance on the prior fiscal year audit.
Most common reasons for a reported adjustment to the beginning fund balance:

- For fund 51 – contributed capital assets, depreciation and adjustments to inventory
- For fund 30s – incorrect entry for debt service payments
- All governmental funds – audit corrections in current fiscal year.
  - Clear out receivables/payables
  - Recode revenues/expenditures
  - Correctly report debt or capital lease payments (not rent but debt!!)
  - Move inappropriate agency funds into/out of governmental funds
Other Annual Report Issues

• Debt Service Payments:
  • Comparison of Schedule of Long Term Debt to Actual Expenditures for Debt Service
  • Term Bonds – debt service is a transfer from fund 21 to fund 30s where funds are accumulated until the end of the term.
  • Capital Leases – missing from Schedule of Long Term Debt completely!!
    • Instructions for coding a capital lease can be found on our "Coding Tip of the Month" website – May, 2014
      AND it can also be found the School Accounting Manual, Acct. Interpretation #14
  • Remember to also adjust the amount of outstanding debt balances in fund 00 – General Long Term Liabilities.
Update on Fiscal Reporting Requirement for ESSA

- Suspended meetings of the workgroup until after the summer data conference in DC at the end of July.

- Awaiting further guidance to be released sometime in September from USDOE.

- Unfortunately the requirement was not eliminated and as soon as 2018-2019 there could be a requirement to report cost per student at the school level both in aggregate and for federal expenditures.

- So in the meantime – what do we do? Instruct/train/require our districts to track all restricted federal grant expenditures. This includes; Title I, Title II, Part A, Title IV, Part A, IDEA 611, IDEA 619, Perkins, Title III, Fresh Fruits and Vegetables, etc.
What support can you expect from DOE regarding this new reporting requirement?

- DOE will summarize and notify districts of all guidance provided by USDOE on this requirement.
- DOE staff will meet with workgroup to discuss and determine the best option for SD to meet the fiscal reporting requirements.
- DOE will support and provide as much training as needed or requested to help districts.
- If the decision is to “add” this reporting requirement to our annual report programming – we will help to generate overall current expenditure report and design a process that – to the extent possible – assists the district.
How can DOE help new business managers?

- DOE schedules bi-monthly conference calls “Dollars & Sense with DOE” – plan to listen in and/or read the notes following the meeting.
- As time permits – hold conference calls specifically focus on helping new business managers.
- Phone call away – if you have questions, call us!
- DOE website provides information:
  - State Aid website - calculations of state aid, district need and monthly payments (with coding)
  - State Finance website – TC data reporting, annual report, coding tips, link to Dept. of Legislative Audit, etc.
  - School Finance & Accountability Board website – meeting schedule, minutes and other documentation presented to SFAB.
Misc. Information to Share

• Reminder: Monthly cash balance from general fund for the 2017-2018 school year will be used to determine if the district is “in excess” and penalties will be applied to FY2019 state aid.

• Pension budget for FY2018 can be as simple as “transfer out” – moving the needed funds to the general fund to pay the district share of SD retirement.

• Other Revenue Equalization – Starting with calculations of general state aid in FY2018 there are now 2 local effort calculations; one based on property tax revenues and the other on Other Revenue Equalization. See website: http://www.doe.sd.gov/ofm/statefunding.aspx
Teacher Compensation Update

• Please welcome our new staff person working with TC data and Accountability Boards – Kathryn Blumhardt.

• Official notification of meeting the accountabilities – mailed to each district prior to the first Friday of October.

  • Every district will receive a letter – either indicating that based on the data reported for both FY2016 and FY2017 the district met both accountabilities or if not meeting one or both of the accountabilities.

• Where can you find out now if you met the accountabilities? On the Teacher Compensation data submission page of the annual report – in lower right hand corner click on the link “Request TC Waiver Form”.
State Aid Accountabilities for Fy2017

- Also for those districts not meeting one or both of the accountabilities the mailing will include information on which accountability, by how much they missed their target and the possible penalty associated with not meeting the accountabilities.

- The form must be submitted (mailed paper copies) along with supporting documentation to present to the School Finance & Accountability Board at their November meeting.
TC Data – Are you aware?

- Are all business managers aware of the below statute?

13-42-1.2. Certificate required for teachers, administrators, and other educational professionals in schools. No person may draw wages as a teacher, administrator, or other educational professional in any public school or other accredited school who does not have a valid certificate.

For more clarification of who may be reported for Teacher Compensation Accountabilities, see our website: http://www.doe.sd.gov/ofm/documents/TC-Guidance2.pdf