

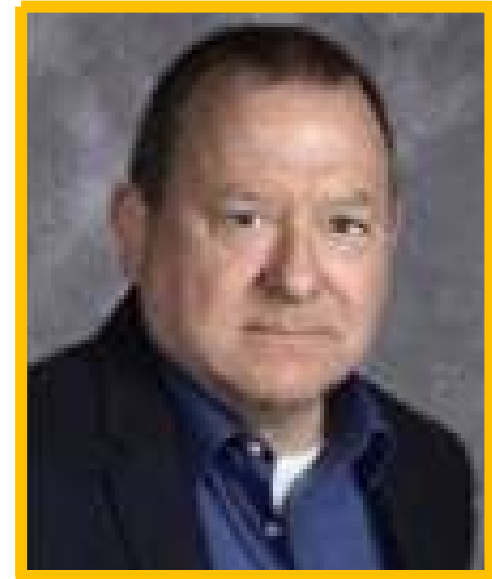
# Presenter Information

Paul Stone  
Supervisor, School District  
and ESD Accounting

360-725-6303

Email:

[Paul.Stone@k12.wa.us](mailto:Paul.Stone@k12.wa.us)



# WASBO Year-End Workshop

August 25, 2020



# WASBO Year-End Workshop

## Agenda

- Year End Accounting Tools
- ESSERF Claims
- Food Service Program 98
- Transportation Program 99
- NCES Codes
- Future Accounting Guidance

# Year-End Accounting Tools

- The *School District Accounting Manual* ([Accounting Manual](#)) is developed by OSPI and SAO.
- SAO will audit to what is in the manual and the addendums.
- Addendum to the Accounting Manual are [Bulletins](#).
  - They are:
    - B058-19
    - B086-19
    - B047-20

# Bulletin 086-19

## New Carryover Rule at Year-End

- **Carryover unused Professional Learning Days allocation**
- Report it in GL 821 Restricted for Carryover
- The allocation must be used for Activity 34 PLD.
- SAO is required to audit the use of the Activity 34 allocation
- Not required to spend the allocation in the year received
- No recovery penalties
- But any unused allocation is legislatively restricted funds.

# Poll Question #1:

**SAO is required to audit the use of the Activity 34 allocation.**

Do you know if you have any unused Activity 34 allocation from 2018–19 that is subject to carryover into the 2019–20 school year?

- Yes, I know my carryover
- I do not have carryover from 2018–19
- I do not know if I have a 2018–19 carryover

# Year-End Tools on the OSPI Website

## The 2018–19 [Fund Balance Reporting Tool](#)

(Posted August 28, 2019)

- This spreadsheet can be used by districts to properly categorize their ending fund balances in accordance with GASB Statement 54 for the 2018-2019 school year.
- A 2019–2020 version will be made available soon.

# Year-End Tools on the OSPI Website

## The Fund Balance Reporting Tool

- Multiple worksheets
- Fund Balance Summary can help you organize your equity accounts.
- The 2018–19 tool can help you with *Beginning Fund Balance, by Sub Fund* for entry on the 2019–20 F-196.



# Poll Question #2:

## **New F-196 Reporting Requirement**

Do you know the amount of your Beginning Balances by Sub-Fund for this year's F-196 reporting?

- Yes
- No

# Year-End Tools on the OSPI Website

## The Fund Balance Reporting Tool

- Worksheet **GL 821 Restricted** helps you calculate carryover.
  - Much like the Carryover/Recovery Tool
- Worksheet **GL 828 Restricted** is for Child Nutrition
  - CPR and SAO will ask for a **signed copy of the worksheet** if the Program carries a deficit.
- Other worksheets help track other equity balances including: Commitments, Assignments, Minimum Fund Balance Policies

# Year-End Tools on the OSPI Website

## 2019-20 Recovery and Carryover Spreadsheet

(Using allocations as of April) (Posted May 1, 2020)

- This spreadsheet is to assist in calculating potential recovery of 2019-20 state revenues.
- The April edition is for year end projections.
- The August edition is for year end calculations.
- Coming Soon

# Year-End Tools on the OSPI Website

## Pension Reporting Tool

- Provides information to finish the Schedule of Long-Term Liabilities for F-196
- Used to finish the Pension Note
- **Will not be available until late October for F-196**
- Will not be available until early November for the Note.

# Year-End Tools on the OSPI Website

## 2019-20 Pension Contribution Reconciliation Tool

(Posted August 13, 2020)

- Pension contributions included in this tool are amounts as reported by the Department of Retirement Systems (DRS) for the plan year ending June 30, 2020.
- The School District Business Official will need to **provide assurance** that district-specific annual contribution amounts presented in DRS-provided schedules are **reasonably accurate**.

# Year-End Tools on the OSPI Website

## **Schedule of Expenditures of Federal Awards (SEFA)**

- Electronic Filing through SAO.
- SAO is modifying their on-line portal.
- SEFA instructions being updated
  - Coming soon to the OSPI website.

# Year-End Tools on the OSPI Website

Other Tools available on the [SAFS website](#):

- [Transportation To-From Short Method Template](#)
- [Transportation To-From Long Method Template](#)
- [Federal Cross Cutting Maintenance of Effort Template](#)

Another Tool available on the [Special Education website](#)

- [LEA MOE Calculator](#)

# Poll Question #3:

## **ESSERF Expenditures**

Allowable ESSERF expenditures should be coded to

- Program 76
- Program 97
- Any Non-Federal Program



# ESSERF Claims

- Districts should account for and report **ALL** school district expenditures in the same fashion as you would under normal operating conditions.
- If the costs are allowable items for reimbursement under ESSERF, the district should create and use a district-specific accounting identifier for COVID/ESSERF.

# ESSERF Claims

- COVID/ESSERF expenditures are not Program-specific, but the district needs to identify these costs uniquely.
- In iGrants: the ESSERF expenditure claim matrix is “Program 00”.
- Program 00 is not in the Chart of Accounts (COA)
- Program 00 will not be added to the COA.

# ESSERF Claims

- In iGrants: the ESSERF expenditure matrix does not use programs codes; it only uses Activities and Objects.
- iGrants expenditure matrices do not use NCES Codes.
- If the district was claiming COVID/ESSERF expenditures from Program 01, Activity 27, Object Code 7 (**01**-27-7) and claiming other expenditures from **02**-27-7:
- Both expenditures would be claimed under "27-7".

# ESSERF Claims

- **LOST REVENUE:**
- Use **Activity 44, Object Code 9** to budget and claim lost revenue in the Food Service program.
- Use **Activity 91, Object Code 9** to budget and claim lost revenue in the Child Care program.

# ESSERF Claims

- ESSERF revenues is 6176-Targeted Assistance ESSER.
- CFDA Number: 84.425D
- Report on the SEFA
  
- It should be presumed that the single-audit evidence of expenditures will be an expenditure report based on the district-specific accounting identifier.

# Poll Question #4:

## **Food Service Program 2019–20**

During 2019–20: transportation expenditures for meal deliveries should be charged to

- Program 76
- Program 97
- Program 98
- Program 99

# Food Service Program 98

- During the period of distance learning: meal services are not COVID-related. The school district would have provided meals during regular school operations.
- If you were receiving the emergency meals reimbursements in Revenue 6189:
- Use Program 98 for all food service expenditures associated with the meal programs that were provided from March to end of school in June.

# Food Service Program 98

- When you know your meal claim reimbursement, you make an Adjusting Journal Entry to transfer a **matching** cost to Program 89. (Debit/Credit transfer process: CR 98-49-1 to DR 89-44-0).
- Program 98 keeps the **excess costs** of providing meals.
  - *If the monthly cost to provide meals is \$30,000, but your monthly meal claim reimbursement is only \$25,000, you only want to move \$25,000 from Program 98 to 89 to match the revenue you received. The excess cost of \$5,000 stays in Program 98.*



# Food Service Program 98

- What you are stating is: we had to use \$5,000 in non-federal resources to support the food service program.
- That doesn't happen if you move the entire \$30,000 from Program 98 to Program 89.
- Another benefit to the district by coding all food service-related expenditures in Program 98 from the beginning is:
  - ✓ The district can see the actual costs of all food services in the one program.

# Food Service Program 98

- Guidance that is a best practice
- Districts should account for and report **ALL** school district expenditures in the same fashion as you would under normal operating conditions.

# Food Service Program 98

- Program 98 cannot be used to pay staff if they are not providing meaningful work in the food services program.
- If the district was paying lunch staff that were not providing meaningful work, you must DR/CR these costs out of Program 98 to Program 89.

# Food Service Program 98

- Staff cost (not providing meaningful work) can be claimed on the ESSERF grant if you wished.
  - *Other activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency (for example, childcare and nutrition services).*
- This is a federal grant: Time and Effort reporting may apply.

# Transportation Program 99

## For 2019–20:

- All transportation services (for meal delivery and instructional support to students) during the period of school closure stay in program 99 and are an allowable use of the Rev 4199 resources.
- If buses are used to provide other transportation services during the summer period:
  - All trip costs must be charged to the programs utilizing the services.

# Transportation Program 99

- School districts should complete the Transportation Long Form or Short Form as of March 31.
- School districts will not be required to complete these tools as of August 31.

# Transportation Program 99

## Transportation Recovery Calculation

- The Current Year Allocation plus the Prior Year Carryover equals the Total Allocation measured for potential recovery.
- The Total Allocation is compared to Allowable Costs.
  - Allowable Costs are Direct Expenditures plus the State Recovery Rate.
- If the total allocation is greater than allowable costs, there is recovery of funds.

# Transportation Program 99

## 2020–21 Transportation

- August 13 Transportation Funding Letter from Superintendent Reykdal
- Unless the laws are changes...
- Allocation issues...
- Allowable cost issues...



# NCES Codes

## PP-AA-NCES Allowable Combinations

- A lot of requests to fix the codes.
- Adding new codes is an F196 System Programming Issue.
- The System updates are done for 2019–20.
- It is highly probable that we will not be able to add new combinations in 2020–21.

# NCES Codes

- 80% of school district expenditures are Objects 2, 3, and 4
- 99% of the NCES coding questions concern MSOCs.
- Some MSOC–NCES descriptions are confusing.
- Common sense combinations are missing.
- Use your professional judgement to make the NCES codes work for you.

# NCES Codes

- If an expenditure was Object Code 5 in the past, code a new expenditure using an NCES code starting with “5”.
- If an expenditure was Object Code 7 in the past, use an NCES code starting with “7”.
- Current guidance for MSOC–NCES codes can be better defined.
- But in the meantime, use professional judgement to make the call.

# NCES Codes

- We are compiling a list to modify the allowable codes.
- The SDAAC will make final recommendations.
- Anyone can contact me and recommend a change.
  - It helps if you give a reason why a new combination makes sense.
- Here is a **partial snapshot** of what the **proposed additions** list looks like...

# NCES Codes

PP	AA	NCES	Description	Recommendation
xx	xx	5626	Motor Vehicle Fuel	Open Fuel Throughout Programs and Activities
xx	xx	7431	Non-Technology-Related Repair and Maintenance	Open Non-Tech Repair & Maint. Throughout Programs and Activities
xx	xx	7442	Rentals of Equipment and Vehicles	Open Rental of Equipment Throughout Programs and Activities (Bottled water, Copiers)
01	28	7441	Rentals of Land and Buildings	Open Rental of Land and Building in Extracurricular (Swim team Aquatic Center rental) (Bowling team and local bowling alley)
xx	27	7511	Student Transportation Purchased from another LEA or SEA	This is only open in Act 29 and Act 52. Consider opening this to other PP-AA as a direct charge to programs. Especially Activities 27 & 53; AND Program 89, Act 91 for Transportation Co-Ops.
31	27	7623	Bottled Gas	Open Bottled Gas In CTE for Propane/liquid gas

# Future Accounting Guidance

## 2020–21 Accounting Manual

- The 2020–21 *School District Accounting Manual* (*Accounting Manual*) is posted on the OSPI website.
- GASB 84–Fiduciary Activity is now effective, see Bulletin 086-19
- Other revisions found in Bulletin 043-20

# Future Accounting Guidance

## 2021–22 Lease Guidance

- The GASB Statement No. 87
- New standard becomes effective in the 2021–22 school year.
- It is highly recommended that school districts **prepare now**.
- **Create an inventory** of leases, contracts, and agreements for review.

# Future Accounting Guidance

## 2021–22 Lease Guidance

- Just because the word “lease” isn’t in the agreement, doesn’t mean it doesn’t meet the definition of a lease under GASB 87.
- And not all “leases” meet the definition of the new standard.
- It’s the substance of the agreement that you must analyze – and document.
- **More on Leases to come.**



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Thank you!

Paul Stone

Supervisor, School District Accounting

360-725-6303

Email: Paul.Stone@k12.wa.us



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