July 6, 2009

Stimulus Quarterly Reporting Requirements Guidance released by OMB

The Office of Management and Budget (OMB) released guidance June 22, 2009, on implementing Section 1512 of the American Recovery and Reinvestment Act (ARRA), a.k.a. the “quarterly reports.”

Hopefully everyone is aware that there is no quarterly report due July 1, 2009, as was stated in previous OMB guidance: if not, this is confirmation. Until this guidance came out, there was uncertainty about when would be the first due date for the “quarterly reports.” The first report from districts/AEAs to the Iowa Department of Education (DE) will not have to be certified until October 12. This report will be cumulative for all ARRA money your district/AEA expended as far back as February of 2009. Due to potential review by the Department of Management, the Governor’s Office, or software testing requirements, districts/AEAs may need to do an initial upload earlier than October 12. The explicit timeline is yet to be determined, which leads to the discussion of the process in which DE plans to engage districts/AEAs.

As a point of clarification, it should be noted that information you received from the Iowa Association of School Business Officials (IASBO) about increased audit prices due to additional ARRA tracking may have left the impression not to expend stimulus money in 2008-2009, even though the ARRA legislation allows districts and AEAs to begin recording expenditures as of February 2009. That guidance was in fact not intended to discourage districts and AEAs from expending the Stimulus money districts received in lieu of state aid.

DE will have a phased, progressive approach in using the OMB guidance to implement Section 1512 of ARRA. This is our first communication on the quarterly report guidance. Next, DE will be bringing in districts/AEAs to address the practicalities of capturing the required data fields to develop a uniform, functional protocol for reporting. After a path forward has been determined, DE will bring the information to the field, possibly in regional conferences that could offer small group discussion.

For your information, Section 1512 of ARRA requires:
(c) RECIPIENT REPORTS.—Not later than 10 days after the end of each calendar quarter, each recipient that received recovery funds from a Federal agency shall submit a report to that agency that contains—
(1) the total amount of recovery funds received from that agency;
(2) the amount of recovery funds received that were expended or obligated to projects or activities; and
(3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including—
(A) the name of the project or activity;
(B) a description of the project or activity;
(C) an evaluation of the completion status of the project or activity; H. R. 1–174
(D) an estimate of the number of jobs created and the number of jobs retained by
the project or activity; and
(E) for infrastructure investments made by State and local governments, the
purpose, total cost, and rationale of the agency for funding the infrastructure
investment with funds made available under this Act, and name of the person to
contact at the agency if there are concerns with the infrastructure investment.
(4) Detailed information on any subcontracts or subgrants awarded by the
recipient to include the data elements required to comply with the Federal
Funding Accountability and Transparency Act of 2006 (Public Law 109-282),
allowing aggregate reporting on awards below $25,000 or to individuals, as
prescribed by the Director of the Office of Management and Budget.

The guidance further delineates the following areas (1-10) as required data
elements. Number 11 is strongly encouraged, but not required: 1) Sub-recipient
Data Universal Numbering System (DUNS); 2) Sub-recipient Central Contractor
Registration (CCR) information; 3) Sub-recipient type; 4) Amount received by sub-
recipient; 5) Amount awarded to sub-recipient; 6) Sub-award date; 7) Sub-award
period; 8) Sub-recipient place of performance; 9) Sub-recipient area of benefit;
10) Sub-recipient officers; and 11) Sub-recipient vendors DUNS or name and zip
code of headquarters.

Further, the data model attached as an appendix to the guidance, which allows for
the collection of the required data necessary to interpret these elements,
expands the required fields that shall be submitted considerably beyond ten
regardless of your district or AEA.

To Obtain Your DUNS Number
One proactive action districts/AEAs could do now in the short run is to get
everyone’s DUNS number. First, locate your districts/AEAs DUNS number. Second,
if ARRA funds are intended to be used for projects involving vendors, you will
need to obtain their DUNS number. If they do not have a DUNS number, encourage
them to get one even though they are not required to do so. The DUNS number will
allow for greater transparency, something auditors appreciate when they review
documentation.

Obtaining a DUNS number is absolutely FREE for all entities doing business with
the federal government. This includes grant and cooperative agreement applicants/
prospective applicants and federal contractors. Be certain to identify the
requestor as a federal grant applicant/prospective applicant.

The vendor may call the dedicated toll-free DUNS number request line for federal
grant and cooperative agreement applicants or prospective grant applicants at: 1-866-705-5711.

The number is staffed from 8 a.m. to 6 p.m. (local time of the caller when
calling from within the continental United States). Calls placed to the above
number outside of those hours will receive a recorded message requesting the
caller to call back between the operating hours.

- The process to request a number takes about 5-10 minutes.
A DUNS number will be assigned at the conclusion of the call.
Vendors will need to provide the following information:
- Legal name
- Headquarters name and address for their organization
- Doing business as (DBA) or other name by which their organization is commonly known or recognized
- Physical address, city, state and zip code
- Mailing address (if separate from headquarters and/or physical address)
- Telephone number
- Contact name and title
- Number of employees at their physical location

Accounting Codes
With the new fiscal year, make sure all your accounting codes are up-to-date to track the ARRA monies. A project code to track the freed up Individuals with Disabilities Education Act (IDEA) Maintenance of Effort funds in the district/AEA accounting records was recently added to the DE’s web site at: http://www.iowa.gov/educate/index.php?option=com_content&view=article&id=1731&Itemid=2552#account_codes.

For other questions on ARRA, see the above website or contact Jeff Berger at jeff.berger@iowa.gov or (515) 281-3968 or Jim Addy at jim.addy@iowa.gov or (515) 281-5293.
Updates on CAR-COA and Uniform Financial Accounting

Local Projects
The revenue from the following local project codes does not have to be specifically coded since the funding is paid from a combination of state aid and property tax, and it would difficult to get the actual distribution correct. On the other hand, the expenditures must include the project code, and if there are any remaining funds, a fund balance must also be reserved and must include the project code. These local projects are:

1112 – Limited English Proficient (LEP)
1113 – Home School Assistance Program (HSAP)
1116 – Weighted At-Risk Program
1118 – Gifted and Talented Program
1119 – Returning Dropout and Dropout Prevention Programs

Remember to include any increased budget authority granted by the SBRC with these projects.

A spreadsheet is available on the web for local projects: [2008-09 Sources for Local Projects](http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408)
Path is Home → School Business & Finance → Accounting & Reporting → CAR

Succeeding Year Property Taxes
Pursuant to GASB statement 33, all districts should book the succeeding year’s property taxes as follows:

- Debit Fund XX, Account 123 (account id 1) – Succeeding-year property tax receivable
- Credit Fund XX, Account 482 (account id 4) – Deferred revenues for succeeding-year property taxes receivable

Income Surtax Receivable
The income surtax information on the FY09 Aid and Levy must be recorded as a receivable. Voted PPEL is on Line 19.6 and General Fund is on Line 20.11.

- Debit Fund XX, Account 144 (account id 1) – Income Surtax Receivable
- Credit Fund XX, Account 484 (account id 4) – Deferred revenue for Income Surtax Receivable

Program Codes on the Balance Sheet
Program Codes are required for the balance sheet. In FY09, the edits will not check for this as some of the software vendors had not programmed for it. If your software has the capability of using a program code in the balance sheet, it should be used. This will be an edit in FY10.
ARRA IDEA Part B dollars
Just a reminder that all districts will use project 4031 for the ARRA IDEA Part B dollars coming through the AEA, but in addition MUST use source 4720. The source code is NOT the same as the project number due to the grants-in-aid flowing through the AEAs. Use source 4720 for the regular IDEA dollars received from the AEA also.

Training Materials
A new PowerPoint has been posted to the DE’s website named "How to use the CAR-COA test site and actual site". This takes a user step by step through the process of using the COA test site and then completing the CAR. It can be found by navigating to www.iowa.gov/educate, then going to School Business & Finance, Accounting & Reporting, Certified Annual Report or the direct link is http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408.

TAG Fund Balances
We will be contacting districts that have a reported fund balance for TAG which is different than that which has been calculated. We will be asking these districts for verification of their balances so that we may adjust the calculated balance by using a DE adjustment table if necessary. Below is the formula we used to arrive at the fund balance. This may not include portions of tuition in and out that pertain to TAG, although this is an area that is allowable and should be considered.

**Beginning Fund Balance**: from FY06 (the last year a separate report was required)

+ **Revenues (since FY05)**:
  - table of revenues
  - project 1118 (other than sources of state aid or property tax)
  - program 27x and project 0000 (other than sources of state aid or property tax)

- **Expenditures (since FY05)**:
  - program 27x and project 0000
  - project 1118

**= FY09 Ending Reserved Fund Balance** – Note that when expenditures exceed revenues plus beginning fund balance, the ending fund balance is zero with nothing reserved to carry forward into the next year.

Questions on the CAR-COA should be directed to Denise.Ragias@iowa.gov
Question on account codes should be directed to Janice.Evans@iowa.gov

Federal Accounting Handbook has been Updated
We have received a copy of the newly updated federal accounting handbook on which Iowa’s Uniform Financial Accounting is based. We will be revising and posting our Uniform Financial Accounting manual soon. You will be notified when the updated UFA manual is completed and posted on the web. Although the chapter information has been updated for changes in Governmental GAAP, account code changes were minimal.

These are the changes that districts and AEAs should use beginning with 2009-2010 (not the 2008-2009 CAR-COA):
- New program code 470 for TAG (moved from the old program code 270).
- New source code 1329 for tuition from other government sources within the state excluding school districts.
- New source code 1429 for transportation fees from other government sources within the state excluding school districts.
- New object code 835 for interest on short-term debt (split from interest on long-term debt which will remain object code 832).
- New object code 925 for discounts on the issuance of bonds (moved from the old object code 835).

Subrecipient Payments

Districts and AEAs can check a summary of all Department of Education payments sent to them for the fiscal year. The preliminary data for this payment information are posted the first week of July. The final data will be posted the first week of September. To access this payment, go to the secure website https://www.edinfo.state.ia.us/securelogin.asp. For the login id enter the letter “v” followed by the district’s FIN (no spaces and no dashes). Do not enter a password. Click the “submit” button.

Foster Care Claims (Regular Education)

The Foster Care Collection for regular education students is due August 1. The data collection can be found on the secure website at https://www.edinfo.state.ia.us/securelogin.asp. Instructions for the data collection can be found at http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=559&Itemid=1. Any questions should be addressed to Denise Ragias, denise.ragias@iowa.gov, 515-281-4741.

Special Ed Claims

Special Ed Claim forms can be found on the secure website at https://www.edinfo.state.ia.us/securelogin.asp. The claim forms for Foster Care, Termination of Parental Rights, Non-Public and High Cost fund are contained within the application, SPED Tools. These claims are due August 1.

Any questions should be addressed to Steve Crew, steve.crew@iowa.gov, 515-281-6285.

SBRC and Education Excellence Phase I

This information was published in the School Leader Update:

Districts have been requesting guidance related to making requests to the SBRC for modified allowable growth due to the legislature choosing to eliminate the Educational Excellence program.
Iowa Code 257.31(5)"e" allows the SBRC to consider modified allowable growth when a district [or AEA] has unusual circumstances, creating an unusual need for additional funds [budget authority in this case], due to a substantial reduction in miscellaneous income.

Educational Excellence Phase I is miscellaneous income. It may be possible for a district or AEA, on a district-by-district basis, to approach the SBRC for modified allowable growth if the reduction is substantial and if the circumstances and need are unusual. The district will make a request on-line for a hearing before the SBRC as usual and will provide exhibits by the due date supporting its request for modified allowable growth. These exhibits should be individual to the district or AEA; limited to 5 pages including a cover page; and should include information that establishes the need for additional budget authority, how the need is unusual, and what long-term plan the district or AEA has implemented to address its financial situation without additional requests for modified allowable growth.

The requests to the SBRC will be postponed until the December 2009 or March 2010 meeting of the SBRC. The SBRC has discussed the issue at its last meeting without coming to any clear resolution. Clearly some legislation is unanticipated, so simply the passage of such legislation may not constitute an unusual circumstance. In the past, legislation has specifically directed the SBRC to act; this legislation does not. The December or March date gives districts sufficient time to determine if they will use the freed up state and local dollars possible due to the ARRA IDEA provisions, will reduce the salary schedule, or will replace the reduction in the salary schedule with the district's unexpended, non-categorical fund balance dollars. The first two choices would not be eligible for a request to the SBRC for modified allowable growth.

Questions regarding exhibits may be addressed to Su McCurdy at Su.Mccurdy@iowa.gov

Facility Data Collection

This is a reminder that submission of the Facilities Collection on the EdInfo data collection website was due July 15th. The data from the collection are used to supplement the calculations for the Statewide Sales and Use Tax. DE understands collecting Facilities separate from the Certified Annual Report (CAR) is a new process this year; hence, the need for flexibility. So PLEASE, all LEAs and AEAs complete your FY09 information by August 15th, as the site will rollover to the FY10 collection on August 16.

DE made this change per district input from several venues. The concept is to make the actual filing of the CAR less work during the Fall by removing specific data collections that can be submitted throughout the year. The Facilities Collection follows that paradigm. It is open all year so districts may submit data at their convenience and reduce their workload during the Fall.

For questions on the data collection, contact Gary.Schwartz@iowa.gov

Uniform Administrative Procedures

The school finance team is updating the Uniform Administrative Procedures handbooks to current Code. You will be notified when it has been completed and posted on the web. The team is developing a system to identify Code changes needed after each legislation session, so the manuals can be updated annually.
Web documents posted since June 1, 2009

School Business & Finance
- Accounting & Reporting
  - CAR
    - How to use the CAR-COA Upload
    - 2008-09 Sources for Local Projects
  - Indirect Cost Rates
    - 2009-10 Indirect Cost Rates
- Financial Management
  - Allocation Summaries
    - 2008-2009 State Allocations and Selected Federal Allocations (updated)
  - SBRC
    - SBRC Application Form Instructions, 2009-10
- School Finance Tools
  - Financial Indicators (updated)
  - Unspent Balance Projection Calculator (updated)
  - Admissions Reconciliation

School Facilities
- Funding
  - Iowa Demonstration Construction Grant
    - 2008-09 & 2005-06 Carry-over Interim/Final Project Reporting Form for Fire Safety and Construction Grants
  - PPEL
    - 2007-08 Voter-Approved PPEL Election Results
  - School Bonds
    - 2007-08 School Bond Election Results
  - QSCB – new web page
  - QZAB
    - 2009 QZAB Application
    - Current QZAB Authorization Recipients

Resources
- FAQs
  - Uniform Financial Accounting
    - Project Lead the Way
Certified Supplementary Weighting Report Available

The certified supplementary weighting report is now available for districts and AEAs to enter information into the data collection on the edinfo website. This data collection includes the supplementary weighting, the operational function sharing supplementary weighting, the informational items related to nonpublic certified enrollments and requests for textbooks, and the mentoring and induction form. This data collection is due on October 15, 2009.

Supplementary weighting will be following the certified enrollment reporting to Project EASIER/PEACE in future years. Staff will compare data collected on courses between the two data collections until then. However, for this fall, the certified supplementary weighting data collection will be the official collection on which supplementary weighting funding will be generated.

Be sure to note that mentoring and induction for new teachers and for new administrators will be included on the certified supplementary weighting report that is due on October 15 and will no longer be a separate data collection.

Also note that there is no longer a teacher FTE count on the certified supplementary weighting report for the purpose of allocating teacher quality and educational excellence because teacher quality is now rolled onto the aid and levy on a per pupil basis and the educational excellence chapter has been struck from Iowa Code. There is no longer a separate allocation to be made, therefore there is no longer a data collection for that purpose. Instead, if needed, information on teachers and other staff will come from the BEDS data collection.

School Board Officers Data Collection Available

The School Board Officers Data Collection must be updated by November 1, 2009 with the information from the September 2009 School Board Elections. Please check that all information is accurate including title, name, address, email, phone and term ending date. Each district or Iowa Area Education Agency should report a CFO/Business Manager, Board Secretary, and Board Treasurer (or a combined Secretary/Treasurer). The data collection can be found on the secure website at https://www.edinfo.state.ia.us/securelogin.asp. Any questions may be directed to Marsha Keul at 515-281-3993 or marsha.keul@iowa.gov, or Deborah Darge at 515-281-5295 or deborah.darge@iowa.gov.
Project Lead the Way

Many districts have been asking how to code Project Lead the Way. Participating districts received a letter giving the three components, all of which must be tracked separately. Part comes from DED/DE, a matching amount comes from the Community College (to match the DED/DE grant), and part comes from the Kern Foundation. The coding has been addressed in an FAQ which can be found at the DE’s website: www.iowa.gov/educate. FAQs can be found in the yellow Resources box on the right-hand side of any of the DE’s web pages. Click on FAQs, then click on Uniform Financial Accounting to view individual questions and answers.

Calculate your Unspent Balance as Soon as you File your CAR-COA

IMPORTANT: Place numbers from the Miscellaneous Income and Expenditures Report in the proper cells of the Unspent Balance Projection Calculator, found on the DE website for School Finance Tools.

Combining these numbers, the Special Education negative balance or excess positive balance, if any, and the numbers from the Department of Management's 'Unspent Authorized Budget Report' will provide the district with its unspent authorized budget balance (barring any adjustments) well in advance of the state notification that the district must appear before the SBRC, if the unspent balance is negative.

Gaining this knowledge as early as possible in the fiscal year will provide districts with information that will be valuable when planning for negotiations and making budgetary decisions.

A district that finds it has incurred a negative unspent balance should immediately notify the SBRC (request an SBRC hearing for the March meeting at the webpage for the School Budget Review Committee) and proceed in the development of a corrective action plans. Information on content of the corrective action plan is available on the DE website for the School Budget Review Committee. For assistance with the plan, contact Joyce Thomsen at joyce.thomsen@iowa.gov or 515-242-5612.

Objection Forms for Reorganization Updated

The team has updated the objection forms to be used by the AEAs for reorganization. They are now PDF documents that the objector may complete on-line and print to add the original signature. The reorganization, dissolution, and sharing guide has also been updated to current law from the 2009 session.

Whole-Grade-Sharing Agreements – Financial Missteps

When districts draft a whole-grade sharing agreement, the districts must keep in mind the following regarding public funds:

1. The per pupil tuition from the sending district to the receiving district may only be paid from the General Fund.
2. While the whole-grade sharing agreement is not the appropriate agreement in which to address revenue sharing, the districts could have a parallel agreement under Iowa Code chapter 423E to address sharing of LOSST revenues and/or under Iowa Code chapter 423F to address sharing of revenues from the statewide penny.

3. The boards of the districts must negotiate Teacher Qualify funds. [Iowa Code section 282.10(4), —The boards of the districts shall negotiate as part of the new or existing agreement the disposition of teacher quality funding provided under chapter 284.]

4. Funds other than Teacher Quality, such as PPEL, may not be shared within a whole-grade sharing agreement. If statutory authority exists (state or federal) to share funds, create a separate agreement. Do not do so within the whole-grade sharing agreement. Do not share funds if statutory authority does not exist to do so.

School Leader Update

Refer to the School Leader Update on the website for more information related to finance, facilities, and law. The SLU can be found at the DE webpage [Highlights].

CAR and SES Deadline

The extended deadline for the Certified Annual Report (CAR) and the Special Education Supplement (SES) is October 15th. The CAR is the responsibility of the district to complete. Auditors review the CAR and must do so in an independent capacity. The audit does not need to take place prior to certification of the CAR. Any adjustments that may need to be made can be done in the subsequent fiscal year. Therefore, no extensions to the CAR due date will be allowed on the basis of auditor review.

Coding State Aid Payments

Districts must break out State Foundation Aid into these various pieces (source/project):
- Four-year-old Preschool 3117
- Teacher Salary Supplement 3204
- Early Intervention 3216
- Professional Development Core Curriculum 3373
- Professional Development General 3376
- State Foundation Aid 3111

A spreadsheet is posted for each month’s payment (LEA SUMMARY) on the DE’s Website (Iowa Department of Education) following this path: School Business & Finance / Financial Management / State Payment Schedule. The link is: [State Payment Schedule].

Do not code the entire State Aid payment to 3111.

ARRA payments are made by a separate check/EFT since they originate from a different fund. Allocations can be found on the DE’s Website / Priority Links (green box on the right) / ARRA-Stimulus Information. The link is [Stimulus Package Information - American Recovery and Reinvestment Act (ARRA)]. The revenue of the local projects 111x (LEP, HSAP, Weighted At-Risk, TAG, At-Risk Dropout Prevention) do not need to be broken out. They may remain part of 3111.
Phase 2 and Teacher Quality
A frequently asked question has been, “Now that Phase 2 and Teacher Quality Basic will be combined and part of State Aid for FY10 (and coded to one project code – 3204), will there be a spreadsheet showing the break out between the two?” Lisa Oakley, Dept. of Management has advised us about this. The two will not be broken out on a spreadsheet. In FY10, the Phase 2 and Teacher Quality Basic dollars will be almost virtually the same as FY09 (within a few dollars). If one wishes to look at these separately, the FY09 percentage can be used for the breakout in subsequent years. (Please refer to the June 12th School Business Alert.)

Please note the attachment below that reflects an updated list of all documents posted to the Department of Education website since the last School Business Alert on 7/27/09.

SBA docs
update.doc
October 9, 2009

ATB CUT

This email was sent from Director Judy Jeffrey to districts and AEAs last Thursday regarding the 10 percent across-the-board (ATB) cut:

On October 8, Governor Chet Culver announced a 10 percent across-the-board cut to state general fund appropriations effective immediately. This means that approximately $600 million must be cut from the state budget between now and June 30. This announcement comes one day after the Revenue Estimating Conference reported a projected 8.4% decline in state revenue.

What this means to Iowa school districts is still unfolding. Please know, however, that:
- School districts do not lose spending authority in areas funded by the school finance formula.
- The 10 percent cut will be distributed evenly over the remaining state aid payments.

The Governor has called for school districts to use their cash reserves before raising taxes. While each district will need to review its current situation, cash reserves exist for unexpected financial situations and this certainly falls into this category.

We, at the Iowa Department of Education, want to know as soon as possible how this cut will impact your financial outlook and the specific problems you will be facing as a result of this cut. This information is important to us as we review potential relief options for Iowa school districts.

Please email education@iowa.gov with your comments. We request that you provide your information via email as opposed to phone calls so that we may categorize concerns and direct any questions to the correct individual. We will also provide an FAQ on our website to give you needed information quickly.

Also, please know that we will continue to provide you updates as needed through both email and on the Iowa Department of Education homepage.

In the face of these financial challenges, the Iowa Department of Education, along with your education associations, joins you in your unwavering dedication to serving Iowa students.
NOTE FROM THE SCHOOL FINANCE TEAM: Please be sure to get successful records into the CAR—2009 Upload and Reports data application by tomorrow (October 15) because that is what we are using to project district and AEA needs in light of the ATB cuts.

CERTIFIED SUPPLEMENTARY WEIGHTING & Mentoring and Induction Due Tomorrow

On the secure EdInfo data collection website is the Certified Supplementary Weighting application to enter information for classes/teacher sharing, operational function sharing, and mentoring and induction information and to view nonpublic enrollments and textbook requests. These items used to be on the Certified Enrollment, lines 12, 12A, 14 and 15, and on the Mentoring and Induction data collection; now lines 1, 2, 3, 4 and 5 on the Certified Supplementary Weighting. Both school districts and AEAs will complete this data collection.

Note: The FTE for the operational function sharing will not appear until the district has had a clean upload in Project EASIER and has been approved for submission to Certified Enrollment. The operational function sharing calculation will pull from the PEACE (project EASIER and certified enrollment) form the number that used to be on line 7 from the Certified Enrollment in previous year. That number is used to calculate the FTE for operational function sharing. Department staff will be doing an update every day to import PEACE data that has been approved.

Instructions for the Certified Supplementary Weighting form can be found at: http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1349&Itemid=2412

If you have a concurrent enrollment course that you do not find in the dropdown menu for concurrent enrollment course on form 1, email Su McCurdy with the name of the community college, the course title, and the course code. You will receive a reply to your email when the course has been added.

Email Joyce Thomsen at joyce.thomsen@iowa.gov for questions concerning line 2 (operational function sharing) and whole grade sharing. Email Su McCurdy at su.mccurdy@iowa.gov for any other questions on the Certified Supplementary Weighting application.

PEACE (Project Easier and Certified Enrollment) Due Tomorrow

The deadline for submission of Project EASIER (Electronic Access System for Iowa Education Records) and Certified Enrollment is October 15. The application opened October 1. The EASIER application will now pre-populate districts’ Certified Enrollment counts. Districts will not be able to access the Certified Enrollment without first
submitting and cleaning its EASIER data. If you have questions or need assistance, please contact any consultant at 515-242-5976.

The deadline for certified enrollment verification is October 30.

SBRC REQUESTS RELATED TO LOSS OF PHASE I FUNDING

At its September meeting, the SBRC stated it planned to consider the requests related to loss of Phase I budget authority at its March meeting. That means that districts have until February 8 to request a hearing using the on-line form. If you have already sent a request for hearing and had a different date, you do not need to resend the request with the March date. Please do not send exhibits at this time. Districts and AEAs will receive guidance on exhibits prior to the date that the exhibits are due.

CERTIFIED ANNUAL REPORT (CAR)--COA

Certification
A district/AEA may certify its CAR whenever it is satisfied with the Certified Annual Report (CAR) data. We can uncertify the CAR report for changes due to the SES that affect the CAR until the deadline of Oct. 15th, if a district requests.

Late Filing and SBRC
At its March 2009 meeting, the SBRC directed the Department to notify districts and AEAs that have not completed and certified their 2008-2009 Certified Annual Report timely and did not have valid extensions, that they are required to appear before the SBRC at the December 2009 meeting to outline, at a minimum, the procedures that they will implement to prevent late filing of future reports. Districts and AEAs who are non-filers or late filers beyond the due date of October 15, 2009, or beyond the approved extension period, will be notified on or before November 14, 2009, of the requirement to appear and present a plan.

FY09 CAR Budget Crosswalk
With the various changes that have taken place in recent months with State Aid and ARRA Stabilization, we made a few changes to the Budget Crosswalk report on Oct. 6. Our mission is to have this match the Budget document exactly and to be as user-friendly as possible. Therefore, if you printed off this report before Oct. 6, you may want to print off a new copy.

Four year old Preschool program
The first year of this program is funded through a state grant and should be coded to Project /Source 3317. The second and subsequent years should be coded to Project/Source 3117, which is paid with State Aid each month. Any carryover funds
from the first year (Project 3317) retain their original coding and should be expended first before expenditures from Project/Source 3117.

Local Revenue Sources
FY09 CAR edits requiring the tracking of expenditures for LEP, HSAP, Weighted At Risk, TAG, and Dropout Prevention have generated a lot of questions. Revenues for these items do not need to be coded as they are a mixture of State Aid, Property Tax, SBRC Authority or required local match. Expenditures and reserved fund balances must be tracked by using the appropriate project code. Below is information as to what each revenue number represents. More information on the appropriate uses of these categorical funding sources can be found in the 281 Iowa Administrative Code Chapter 98.

• **LEP** – Limited English Proficient, Project 1112 (Program 410)
  This is a combination of 2 numbers: weighted enrollment and SBRC authority. The weighted enrollment can be found on the Aid and Levy Worksheet, Line 3.11. The SBRC authority is granted through an application process and can be found on the SBRC Summary of Action on the Department’s website.

• **HSAP** – Home Schooled Assistance Program, Project 1113
  The revenue from this is derived from the Certified Enrollment/Project Easier count. State Aid is based on the Budget Enrollment, therefore HSAP revenue is the number of students reported on the previous year’s enrollment x .3 weighting x District Cost Per Pupil. Expenditures should include, but are not limited to, either a teacher’s salary/benefits (as this program includes a teacher that assists the Home Schooled) or tuition paid out to another district for the home-schooled.

• **Weighted At Risk**, Project 1116 (Program 420)
  Weighted At Risk can be found on the Aid and Levy Worksheet, Line 3.12. The funding formula is based on resident students and free and reduced students. Weighted At Risk funding is posted on the Department’s website at: [http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=418&Itemid=1389](http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=418&Itemid=1389).

• **Gifted and Talented (TAG)**, Project 1118 (Program 470 beginning in FY10)
  Gifted and Talented Funding is included in the District Cost Per Pupil (75% of funding) and the required local match is taken from the Regular Program District Cost (25% of funding). Both the 75% portion and the 25% required local match are posted on the Department’s website at: [http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=421&Itemid=2167](http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=421&Itemid=2167).

• **Dropout Prevention**, Project 1119 (Program 420)
  The budget of an approved program for returning dropouts and dropout prevention for a school district, after subtracting funds received from other sources for that purpose, shall be funded annually on a basis of one-fourth or more from the district cost and up to
three-fourths by an increase in allowable growth, as defined in Iowa Code section 257.41. The SBRC authority is granted through an application process, and the modified allowable growth portion (the 75% portion) can be found on the SBRC Summary of Action on the Department’s website.

**Reserved Fund Balances for Local and State Projects**
At year end, any remaining funds for local projects (111x) or state projects (3xxx) must be set aside in a reserved fund balance to be carried over for use in the next year. To reserve a fund balance:

DR Account 739 Unreserved Fund Balance, Project 0000, Program 000
CR Account 719 Reserved Fund Balance, Project xxxx, Program xxx.

Once a reserved fund balance is recorded in the accounting records, to increase a reserved fund balance do the same journal entry for the amount of the increase. To decrease (or expend) the reserved fund balance, reverse the entry for the amount of the decrease.

**Deferred Revenues for Federal Projects**
• At year end, any remaining funds for federal projects (4xxx) must be deferred until the time the funds will be used. To defer revenue:

DR the revenue in which the funds were deposited
CR Account 481 Deferred Revenue, Project xxxx, Program xxx.

To expend these funds, reverse the journal entry for the amount expended.
• If revenues have not been received and are generally not available in the 60 day accrual period, a journal entry must be created for accounts receivable and deferred revenue.

DR Account 141 Intergovernmental Accounts Receivable, Project xxxx, Program xxx
CR Account 481 Deferred Revenue, Project xxxx, Program xxx

**Federal Project Reconciliation**
The Federal project reconciliation edit is not working as intended when a district reported both a FY08 and FY09 Federal receivable with deferred revenue. In this instance, the receivables, revenues and expenditures should reconcile, but in some instances the district is getting an error message similar to the following:

For project 4XXX revenues of $21000.00 minus deferred revenue (prior year receivables not received) (Account 481) of $21000.00 minus expenditures $26000.00 plus DE Adjustments of $0 plus current year deferred revenue (receivables not received) (Account 481) of $26000.00 does not equal 0.

Contact Denise.Ragias@iowa.gov or Janice.Evans@iowa.gov to request a DE adjustment if you receive this error message and shouldn’t. We will also try to monitor the districts that had FY08 receivables and deferred revenue that may be affected by this edit. We apologize for any inconvenience this may cause and have included a note to correct this for FY10.
School Business Alert  
Web documents posted or updated since September 30, 2009

• (bullet designates posted / updated document)

School Business & Finance

➢ Accounting & Reporting
  ➢ CAR
  ➢ Indirect Cost Rates
  ➢ Uniform Financial Accounting

➢ Certified Enrollment
  ➢ AEAs
  ➢ Nonpublic Schools
  ➢ School Districts
  ➢ Supplementary Weighting

➢ Finance Roundtable

➢ Financial Management
  ➢ Allocation Summaries
  ➢ Audits
  ➢ Budgets, Area Education Agencies
  ➢ Budgets, School Districts
  ➢ Public Fund Deposits & Rates
  ➢ SBRC
  ➢ School District Financial Report Cards
  ➢ School Finance Tools
    • 2009-2010 Financial Indicators
    • Unspent Balance Projection Calculation
  ➢ State Payment Schedule
    • 2009-2010 Across the Board Reductions for LEA’s
    • 2009-2010 Across the Board Reductions for AEA’s
    • October 2009 AEA State Aid Summary
    • October 2009 LEA State Aid Summary
    • October 2009 ISL State Aid Summary

➢ Levies & Funds
  ➢ Capital Project Funds
  ➢ Debt Service Levy
  ➢ General Fund
  ➢ Management Levy
  ➢ Public Disclosure of Outstanding Levies
  ➢ PPEL
  ➢ Public Education and Recreation Levy
  ➢ Student Activity Fund

➢ Procedures
  ➢ Foster Care Claim
  ➢ Nonpublic Textbook Services
  ➢ Reorganization, Dissolution & Sharing
  ➢ School Board Officers
    • School Board Officers Data Collection Instructions
  ➢ School Business Alert
  ➢ School Finance Associations and Boards
  ➢ Tuition & Fees
HISTORICAL CARs AVAILABLE

The balance sheets, revenues and expenditures by fund for FY06, FY07 and FY08 are now available on the DE website on the CAR page ---
http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408. They are in a format similar to that used prior to FY06: They have dropdown menus for districts/AEAs and they give expenditures by fund instead of total like the query tool was providing.

FAQs ON THE DEPARTMENT OF EDUCATION'S WEBSITE UPDATED

We have received a number of questions related to the Across the Board (ATB) cuts. These have been staffed with answers and can be found on the DE website. On the Department of Education’s home page, there is a yellow box on the right side called “resources.” The resources are listed in alphabetical order. Select FAQs. This will take you to a page of categories of FAQs.

All of the FAQs on the website that are related to finance have been reviewed and should now be current. Two categories that may be of particular interest are:

- 2009-10 State Budget Cuts. This category includes questions and answers related to the ATB cuts, to categorical funding, and ideas districts have floated on how to increase revenues or reduce expenditures in the General Fund.
- Secure an Advanced Vision for Education (SAVE/LOSST). This is a category that has been substantially changed to reflect the changes in Iowa Code, and includes sections on certificates of need and revenue purpose statements.

Let Su McCurdy know if any FAQs still need work or if there are other general questions districts would like answered and posted.

UNIFORM FINANCIAL ACCOUNTING, VERSION 2009, POSTED ON WEBSITE

Iowa adopts the federal accounting handbook, with minor revisions for Iowa requirements, each time that an updated federal handbook is released. Iowa’s updated Uniform Financial Accounting manual is available on the website at:
The accounting manual covers governmental accounting theory for school districts in compliance with GAAP, as well as descriptions of selected account codes. There were minor changes in account coding which was provided to Iowa school districts and AEA last year. So there are no other changes to account coding within this manual.

Guidance from the federal level has been requested on the uniform coding needed for implementation of GASB statement 54. Districts and AEAs will be notified when that information is available.

REMINDER: FACILITIES DATA COLLECTION AVAILABLE YEARROUND

The facilities replacement cost report and the election reports that used to be part of the CAR are now a separate data collection application that is available to districts and AEAs year-round. This allows districts to enter information as soon as the election is held and to enter replacement values for facilities as soon as it has been determined for insurance purposes for the current fiscal year. Making this data collection available year-round in the same way as the board officers data collection, will mean one fewer data collection to complete in the fall. On July 15th of each year, the data related to the fiscal year just ended will be written to history and the data collection will be available again for the next fiscal year. So, gather your election results and insurance documents, and go to the data collection website at www.edinfo.state.ia.us to enter your information as soon as it is known for this fiscal year. You may direct questions to Gary Schwartz at Gary.Schwartz@iowa.gov.

REMINDER: BOARD OFFICERS DATA COLLECTION AVAILABLE YEARROUND

The board officers data collection is available to districts and AEAs year-round. This allows districts to enter information as soon as the election is held and to enter corrections and changes to officers whenever there is a change. Making this data collection available year-round in the same way as the facilities data collection, means accurate information is available at any point in time. So, if you have had a change in board officers or financial personnel this school year, go to the data collection website at www.edinfo.state.ia.us to update your information. You may direct questions to Deborah Darge at Deborah.Darge@iowa.gov.

DISTRICT PARTICIPATING in ISCAP
IASB has indicated that districts participating in ISCAP are required to pay a participation fee equal to .20% of its Series 2009-10 ISCAP Series B Warrants. This fee should be coded to Function 2510, object 340 (349 if using detail).

Remember, that short-term interest is coded to Function, 2510, object 835 effective FY10. As indicated in the July 27, 2009 School Business Alert, this was a result of the newly updated federal accounting handbook on which Iowa’s Uniform Financial Accounting is based.

**Training Opportunity - Association of Government Accountants, Des Moines Chapter invites you to May 2010 Spring Ethics Seminar (May 19, 2010)**

We realize that many of you will be attending or teaching at the Iowa School Business Management Academy on Wednesday, May 19. However, we wanted to let everyone know about the following educational opportunity in case you are interested and able to attend.

You are invited to attend the annual Des Moines Chapter Association of Government Accountants spring seminar. The speaker for the morning presentation will be Patrick Kuhse. Patrick will be speaking on "Prominence to Prison: Why Smart People Do Dumb Things." Attached is more information about Patrick’s presentation.

Following lunch will be a two hour audio conference discussing "Those Faint Signals: Learning to Catch Ethical Slippage Before It's Too Late" During this audio conference, the presenter, Marianne M. Jennings, JD, Professor in the Department of Management in the W.P. Carey School of Business at Arizona State University (ASU), will recount some recent ethical lapses in government and examine the causes and effects. By examining a series of ethical lapses, we find that a pattern emerges. That pattern allows us to think about this question: What is it in the culture of an agency that allows obvious ethical breaches to occur and continue? Once we understand the culture, we can think about putting the detection methods, as well as antidotes, in place.

A one hour presentation by the Honorable David Vaudt speaking on the "Results of the Iowa Legislative Session" follows the audio conference. Five CPE of ethics are offered for the morning session and afternoon audio conference, and one CPE is offered for the afternoon session (6 CPE total for the event).

The seminar will be held at the Holiday Inn Downtown from 8:00 am - 4:30 pm. Registration begins at 7:30 am. Breakfast and lunch will be catered by the Holiday Inn and are included in the seminar fee. Register by February 28 to receive the early bird discount rate. All registrations must be received by April 28. Attached is a flyer that gives more information or click on [http://dsmspringseminar.eventbrite.com/](http://dsmspringseminar.eventbrite.com/) to register for this conference.
School Business Alert – Web documents posted or updated since October 15, 2009
● (bullet designates posted / updated document)

School Business & Finance
   – Accounting & Reporting
       ➢ CAR
           ● 2005-06 CAR
           ● 2006-07 CAR
           ● 2007-08 CAR
       ➢ Indirect Cost Rates
       ➢ Uniform Financial Accounting
           ● Appendix H - Chart of Account Coding
   – Certified Enrollment
       ➢ AEAs
       ➢ Nonpublic Schools
           ● 2009-10 Non-Public Schools Certified Enrollment
       ➢ School Districts
       ➢ Supplementary Weighting
   – Finance Roundtable
   – Financial Management
       ➢ Allocation Summaries
       ➢ Audits
       ➢ Budgets, Area Education Agencies
           ● Juvenile Home Advance Payment Schedule
       ➢ Budgets, School Districts
       ➢ Public Fund Deposits & Rates
       ➢ SBRC
           ● Corrective Action Plan
           ● Corrective Action Plan Progress Report
           ● Summary of Hearing Decisions 2009-10 School Year
           ● Phase I Guidance
       ➢ School District Financial Report Cards
       ➢ School Finance Tools
           ● Unspent Balance Projection Calculator
           ● Financial Reports
           ● Financial Indicators
       ➢ State Payment Schedule
           ● November 2009 AEA State Aid Summary
           ● November 2009 LEA State Aid Summary
           ● November 2009 ISL State Aid Summary
           ● 2009-10 Across the Board Reductions for AEAs FINAL
           ● December 2010 AEA State Aid Summary
           ● December 2010 LEA State Aid Summary
- December 2010 ISL State Aid Summary
- January 2010 AEA State Aid Summary
- January 2010 LEA State Aid Summary
- January 2010 ISL State Aid Summary
- Explanation of January 2010 Juvenile Home Deduction

❖ **Levies & Funds**
  ➢ Capital Project Funds
  ➢ Debt Service Levy
  ➢ General Fund
  ➢ Management Levy
  ➢ Public Disclosure of Outstanding Levies
  ➢ PPEL
  ➢ Public Education and Recreation Levy
  ➢ Student Activity Fund

❖ **Procedures**
  ➢ Foster Care Claim
  ➢ Nonpublic Textbook Services
    ➢ 2009-10 Non-Public Textbook Services
  ➢ Reorganization, Dissolution & Sharing
  ➢ School Board Officers
  ➢ School Business Alert
  ➢ School Finance Associations and Boards
  ➢ Tuition & Fees
  ➢ Uniform Administrative Procedures, AEAs
  ➢ Uniform Administrative Procedures, School Districts

❖ **Stimulus Package Information – American Recovery and Reinvestment Act (ARRA)**

**School Facilities**

❖ **Construction**
  ➢ Davis-Bacon Act
  ➢ Historic Preservation
  ➢ Suspended & Debarred Contractors

❖ **Data Collection**

❖ **Funding**
  ➢ Iowa Demonstration Construction Grant
    ➢ 2009-10 Information on Iowa Demonstration Construction Grants
    ➢ Iowa Demonstration Grant ICN Powerpoint
  ➢ Statewide School Infrastructure Sales and Services Tax
  ➢ PPEL
    ➢ 2008-09 Voter Approved PPEL Election Results
  ➢ QSCB
  ➢ QZAB
  ➢ School Bonds
    ➢ 2008-09 School Bond Election Results
- **Maintenance**
  - Environmental Protection & Indoor Air Quality
  - Maintenance Planning

- **Planning**
  - Closing/Restructuring Attendance Centers
  - Facility Planning

- **Safety & Accessibility**
  - Accessibility / ADA / 504
  - Fire Safety
  - Playground Safety
  - School Building Safety

- **Advanced Learning Opportunities**
  - Gifted & Talented

- **Resources**
  - FAQs
    - Uniform Financial Accounting

- **Diverse Learners**
  - At Risk
    - Funding

- **Educator Quality**
  - Mentoring and Induction for Beginning Educators
    - Allocations
      - 2009-10 Mentoring and Induction
  - Teacher Quality Program Guidance and Allocations
    - Market Factor Guidance on Appropriate Uses and Allocations
      - Market Factor Appropriate Uses

- **Administrator Quality**
  - Mentoring and Induction for Beginning Administrators
    - Allocations
      - 2009-10 Mentoring and Induction, Administrators
You are invited to attend the Des Moines Chapter’s Spring Seminar with keynote speaker Patrick Kuhse. Patrick Kuhse went from being a successful stockbroker, to an international fugitive, to incarceration in two countries and is now visiting Des Moines to talk about Prominence to Prison: Why Smart People Do Dumb Things. (See next page)

Following lunch will be a two hour audio conference discussing “Those Faint Signals: Learning to Catch Ethical Slippage Before It’s Too Late”. During this audio conference, the presenter, Marianne M. Jennings, JD, Professor in the Department of Management in the W.P. Carey School of Business at Arizona State University (ASU), will recount some recent ethical lapses in government and examine the causes and effects.

A one hour presentation by the Honorable David Vaudt speaking on the “Results of the Iowa Legislative Session” follows the audio conference. A total of 6 CPE are offered for the event (5 CPE of Ethics).

$10 “Early Bird” discounts expire February 28th. Regular pricing: AGA Member $80  Non-member $95  All registrations include breakfast and lunch. Registration closes April 30th.

For more information and to register, please visit http://dsmspringseminar.eventbrite.com/.
This business ethics/critical thinking skills presentation will revolve around the processes and consequences of unethical behavior and how "seemingly unimportant decisions" can cause so much trouble in our lives.

Patrick Kuhse will share his life story of prominence as a stockbroker and former Certified Financial Planner, his involvement in a bribery scheme with the Oklahoma State Treasurer’s Office, his subsequent flight and life as an international fugitive, eventual self-surrender and incarceration in both a foreign jail and US Federal Prisons.

We will examine the ethical dilemmas employees and management face in today’s business world including:

**How Ethics Play Into the Current Financial Meltdown**

**How to Balance Career and Family**

**Meeting the Ethical Challenges of Leadership Through Mentors**

**Self-Renewal: Mastering Change and Dealing with Adversity**

**Doing the Right Thing: How to Balance your Pocketbook with your Conscience**

**Group Think: The Traumas and Dramas of an "Everybody's Doing It" Philosophy**

**The 8 Critical Thinking Errors that can Wreck a Career**

**Developing Ethical Decision Making Strategies**

*During Patrick’s remarks, he will define business ethics, discuss common ethical dilemmas we all face both personally and professionally, explore why people make the ethical decisions they do, and provide insight on how to define, develop and control our own ethical behaviors.*
This is a quick email to let you know the new items that have been added to the Department of Education’s website related to school finance. If your system does not allow you to follow the links below, use the search feature on the DE’s homepage or the A to Z programs list on the DE’s homepage to locate the items.

**Special Education Maintenance of Effort Reduction**

On the DE Website, you will find materials to be used in a future webinar dealing with the use of IDEA Part B ARRA funds and the procedures utilized to record the MOE reduction process within the accounting records during this school year. Please feel free to review the materials at your leisure or use them for any planning. This information can be found on the Department of Education’s website at:


**Uniform Administrative Procedures Manual**

The UAP manual is being updated to the 2009 Code of Iowa. The manual will combine the former LEA and AEA manuals into one manual. As each chapter is updated, it is posted to the website at:


When all chapters have been updated to the 2009 Code of Iowa, the Department will review each chapter again to update it for the legislation enacted during the 2009 and 2010 legislative sessions and for recently released opinions of the Attorney General.

**CAR Data**

The historical fiscal data for the FY06, FY07, FY08 and FY09 are now on the website in excel format, as well as the non-fiscal data for FY06, FY07 and FY08. Non-fiscal data was not required to be reported in FY09. View at this location:

http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408
CAR Application Update

The Department is currently in transition to opening the 2010 Test CAR application to the testing group. We anticipate a testing period of approximately two weeks and then anticipate opening the test site for all districts. Districts and AEAs will be notified when it is available. The applications for both the CAR – 2009 Upload and Reports and the CAR – 20XX Test Records have temporarily been disabled on the EDINFO site. Prior CAR information is available on the department’s web site at http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408. Scroll down to the separate Excel workbooks for each fiscal year.

Disaster Assistance Coding

Several Iowa counties have recently been declared disaster areas. Following are the source and project codes for the State and Federal disaster funds districts will receive. If the reimbursement is for expenditures appropriate to the General Fund, these revenues and expenditures may also be accounted for in the General Fund. Many of the past disasters have been facility-related disasters, but this year there are more operating expenditures involved in the disaster declaration.

- State share – 3272, Iowa disaster assistance (IC 29C.6(17)) ( Generally PPEL Fund, Disaster Recovery Fund, or Capital Projects Fund)
- Federal share – 4566, Public Assistance Grants (FEMA Disaster Assistance) (CFDA 97.036 (Generally PPEL Fund, Disaster Recovery Fund, or Capital Projects Fund)

Teacher Salary Supplement Questions and Answers

The FAQ on the TSS is included in the FAQ group called “2009-10 State Budget Cuts” on the Department of Education’s website: http://www.iowa.gov/educate/support/index.php?_m=knowledgebase&_a=view&Itemid=2457
This edition of the School Business Alert contains highlights of information previously shared that is pertinent to the CAR-COA. Please direct questions on the CAR-COA to Denise Ragias or Janice Evans.

Uniform Financial Accounting and Uniform Administrative Procedures Manuals

The Uniform Financial Accounting Manual was updated last year to remain consistent with the federal financial accounting manual for school systems which was updated in 2009. The Iowa UFA manual, along with the latest version of the Chart of Accounts and a link to various journal entries, is available on the DE’s website at:
The path is School Business & Finance/ Accounting & Reporting/ Uniform Financial Accounting.

Uniform Administrative Procedures
Many of the chapters of the Uniform Administrative Procedures handbook have been updated. School district and AEA procedures are being combined in the new chapters. Until the entire handbook is completed, school districts will find their handbook’s chapters at:
and AEAs will find their handbook’s chapters at:
The path is School Business & Finance/ Procedures/ Uniform Administrative Procedures.

CAR-COA

Discontinued Funding
In the event that a categorical funding source is discontinued and an unexpended balance remains, the school district or area education agency shall carry forward the unexpended balance and expend the remaining balance within the subsequent 24 months for the purposes for which allowed in the final year that the funding was allocated or granted prior to discontinuation unless a rule in this chapter provides for a longer period (IAC 281—97)

Please be sure to use the funds available for discontinued programs. This would include Educational Excellence Phase I and Phase III, and certain discontinued Teacher Quality programs. Market Factor monies are exempt from the 24 month rule per senior staff. However, the districts should use the money as soon as possible on allowable uses. Please refer to Chapter 98 for appropriate uses of the various categorical funding. Categorical funding streams
that were converted from grants in aid to budgetary allocations are not considered to be discontinued. This would include Early Intervention, Teacher Quality Professional Development, and the Phase II and Teacher Quality Basic Salary allocations that were combined into the Teacher Salary Supplement. The Chapter 98 of the Iowa Administrative Code is located on the web at: http://www.legis.state.ia.us/aspx/ACODocs/DOCS/6-2-2010.281.98.pdf

Codes
A few changes or additions to coding from this past year are again brought to your attention. Changes to the Chart of Accounts are listed in the front of that document by the month they were added. A quick review of these may be helpful in identifying changes that are applicable to your district.

- Microsoft Settlement – the latest round of this settlement for Iowa Schools should be coded to Source/Project 1996
- Gifted and Talented (TAG) – the program code has been changed to 47X. 27X is no longer valid.
- The program dimension is required for all account codes. The CAR edits have been modified to check this for balance sheet accounts.

Edit Clarifications

- Numbers on the error messages
This year numbers have been added to the beginning of the error messages. The first number relates to the stage the edit is in. The second number is the edit number within the stage. If there is a third number, it is the id number on an edit. Our intent is to assist you in easily communicating to us to which error message you are referring and for us to quickly identify that message.

- Questions
  - The series of questions that must be answered the first time that a file is uploaded affects the types of edits that the file goes through. Please be sure to read these carefully and answer correctly paying particular attention to the items listed below.
    - Land Improvement. Activities concerned with making permanent improvements to land, such as grading, filling, and environmental remediation. Only funds 23, 24, and 31-39.
    - Building Improvements. Activities concerned with building additions and with installing or extending service systems and other built-in equipment. Only funds 23, 24, and 31-39.
    - There are no particular minimum dollar values placed on the above improvements.
  - To change the answers to questions, a district must reupload the file. Go to the status page, change the answers, click on submit, and then go through the stages again. This will retain the change in answers.

- CAR Edit 4-11
In the Stage 4 reconciliation edits, districts may receive the following edit message:

(4-11) For project xxxx the ending Reserved Fund Balance of $xx does not equal the beginning Reserved Fund Balance of $xx minus prior year deferred receivables (Account 481) of $xx plus current year revenues of $xx minus current year expenditures of $xx
plus the DE Adjustment of $xx plus current year deferred receivables (Account 481) of $xx.

- It is possible, but highly unlikely, that a district will have a deferred receivable with a state project. A deferred receivable is possible if revenue is not received in a timely basis. This edit message is generic to fit all situations but it will be rare that a district has a receivable/deferred revenue for a state project.

- **Edit (3-22) Teacher Salary Supplement**
The amount reported in Function XXXX and Program XXX, Object 121 is greater than 0. The amount reported for Teacher Salary Supplement (Project 3204) must also be greater than 0.
  - *TSS should be representative of all programs and functions to which teacher salaries are coded.*

**Local Projects**
The procedure for local project revenue remains the same as last year. The revenue from the following local project codes does not have to be specifically coded since the funding is paid from a combination of state aid and property tax, and it would be difficult to get the actual distribution correct. On the other hand, the expenditures must include the project code, and if there are any remaining funds, a fund balance must also be reserved, and the account must include the project code. These local projects are:

  - 1112 – Limited English Proficient (LEP)
  - 1113 – Home School Assistance Program (HSAP)
  - 1116 – Weighted At-Risk Program
  - 1118 – Gifted and Talented Program
  - 1119 – Returning Dropout and Dropout Prevention Programs

Remember to include with these projects any increased budget authority granted by the SBRC or any required local match.
A spreadsheet is available on the web for local projects:
http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=1621&Itemid=2408
The path is School Business & Finance/ Accounting & Reporting/ CAR

**Taxes**
Some things to remember about taxes:

- **Current Year Property Taxes**
  Taxes received after June 30 for FY10 (July and August taxes) should be booked as a receivable in FY10 as follows:
    - Debit Fund XX, Account 121 (account id 1) – Taxes receivable
    - Credit Fund XX, Source 111x (account id 8) – Property taxes
  Note that Mobile Home taxes have their own receivable code of 143 and their own source code of 1191.

- **Succeeding Year Property Taxes**
Pursuant to GASB statement 33, all districts should book the succeeding year’s property taxes as follows:
    - Debit Fund XX, Account 123 (account id 1) – Succeeding-year property tax receivable
    - Credit Fund XX, Account 482 (account id 4) – Deferred revenues for succeeding-year property taxes receivable

The amounts for these taxes may be found at the Department of Management’s website at:
http://www.dom.state.ia.us/local/schools/index.html. They are (or will be) listed in the document called Outstanding Property Tax Levies and Maximum Levy Limits FY11.

- **Income Surtax Receivable**
The income surtax information on the FY10 Aid and Levy must be recorded as a receivable since the taxes have been certified but not yet collected and paid to the district. Voted PPEL is on Line 19.6 and General Fund is on Line 20.11.
  - Debit Fund XX, Account 144 (account id 1) – Income Surtax Receivable
  - Credit Fund XX, Account 484 (account id 4) – Deferred revenue for Income Surtax Receivable

**CAR Extension Process**
Extensions are available for good cause. Good cause as defined by the SBRC shall include illness or death of the school district or AEA staff member responsible for the filing, acts of God, unforeseeable circumstances which in the opinion of the director of the department of education constitute sufficient cause for allowing submission after the due date, or the data collection being down for an extended period of time (a full week or more) during the reporting phase of the data collection (excluding the testing phase). These extensions should be requested as soon as possible upon determining that the district or AEA will not be able to meet the deadline and no later than September 1. Extension requests should be submitted to Denise Ragias, denise.ragias@iowa.gov, 515-281-4741, to be reviewed by the entire staff.
This edition of the School Business Alert contains information related to Facilities, and the FY11 header changes to the Uniform Financial Accounting balance sheet accounts due to implementation of GASB statement 54.

Facility, Bond, PPEL Elections Data Collection
This data collection is available for completion and certification by July 15th. This application is available on the secure website at https://www.edinfo.state.ia.us/securelogin.asp. Contact Gary.Schwartz@iowa.gov, 515-281-4743 with any questions.

QSCB
All QSCB authority has been allocated. It is not anticipated that the QSCB program will receive further authorization because it was a program under ARRA. Contact Gary.Schwartz@iowa.gov, 515-281-4743 with any questions.

GASB Statement 54 and Uniform Financial Accounting Balance Sheet Account Codes
The following guidance has been received from the federal government on the account coding to implement GASB statement 54 in school districts and AEAs. This will be in effect for fiscal year 2010-2011 reporting but not for the 2009-2010 CAR-COA. This information has also been shared with the auditors and software vendors/providers that we have on record. Janice Evans is working on the appropriate coding for the account detail that is in the Uniform Financial Accounting Manual. When that is completed, another email will be sent. Contact: Janice.Evans@iowa.gov, 515-281-4740 with any questions.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, is significantly changing the component classifications of fund balance for the governmental funds. The fund balance/net asset codes will need to be revised to incorporate the five new components of fund balance (i.e., nonspendable, restricted, committed, assigned, and unassigned). In addition, many of the previous classifications will no longer apply and should be removed (i.e., reserve for inventories, reserve for prepaid items, reserve for encumbrances, other reserved fund balance, designated fund balance, and unreserved fund balance). Finally, while the net asset codes (i.e., invested in capital assets – net of related debt, restricted net
assets, and unrestricted net assets) are not being changed, there will need to be a shift in the numerical coding structure to incorporate all of the aforementioned changes.

Historically, fund balance for governmental funds has used two main categorizations – reserved and unreserved. Furthermore, unreserved fund balance could optionally be further subclassified as designated or undesignated. All of these classifications focused on fund balance from the perspective of its availability for appropriation. In other words, fund balance classifications represented the appropriable or non-appropriable nature of the fund’s financial equity.

Under GASB Statement No. 54, the classification of fund balance will now be from the perspective of the underlying resources within fund balance. Simply put, these new components of fund balance will identify constraints on how resources can be spent and the sources of those constraints. The new components of fund balance will be nonspendable, restricted, committed, assigned, and unassigned. Each of these components has very specific definitions and there is little, if any, direct link between the “old” components of fund balance and the new ones.

New Codes

710 **Nonspendable Fund Balance** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.

720 **Restricted Fund Balance** – The restricted fund balance classification should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

730 **Committed Fund Balance** – The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the district’s highest level of decision-making authority (generally the governing board). Also, such constraints can only be removed or changed by the same form of formal action.

740 **Assigned Fund Balance** - The assigned fund balance classification reflects amounts that are constrained by the government’s *intent* to be used for specific purposes, but meet neither the restricted nor committed forms of constraint. Also, the assigned fund balance classification is the residual classification for the special revenue, debt service, capital projects, and/or permanent funds (unless that amount is negative, which would require presentation as unassigned fund balance).
750 **Unassigned Fund Balance** – The unassigned fund balance classification is the residual classification for the general fund only. It is also where *negative residual amounts* for all *other* governmental funds would be reported.

760 **Capital Assets, Net of Related Debt** – This account is used to record the net asset component invested in capital assets, net of related debt, which represents total capital assets less accumulated depreciation less debt directly related to capital assets. This account is to be used in proprietary funds only. (This was previously fund balance code 740.)

770 **Restricted Net Assets** – This account is used to record the net assets component—restricted net assets—which represents net assets restricted by sources internal or external to the organization. This account is to be used in proprietary funds only. (This was previously fund balance code 750.)

780 **Unrestricted Net Assets** – This account is used to record the net asset component—unrestricted net assets — which represent net assets not classified in accounts 760 and 770. This account is to be used in proprietary funds only. (This was previously fund balance code 760.)