



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Chief, Bureau of Finance, Facilities, Operations and Transportation Services (FFOTS)

I'm pleased to announce that Tom Cooley has been hired as the first-ever Chief of the Bureau of Finance, Facilities, Operations and Transportation Services. Some of you may know Tom from other roles at the Iowa Department of Education (DE), where he has served as a School Improvement Consultant and, most recently, as an Administrative Consultant managing the federal Carl Perkins Act funding. Prior to being at the DE, Tom was a teacher and served as an administrator in two different Iowa districts. He brings a good variety of work and life experiences to the position and will be a good fit with the existing FFOTS team. I believe you'll be pleased with Tom's inclusion in these conversations.

One of the initial challenges for anyone new to a position like this is to work quickly to form good working relationships with LEA leaders and other stakeholders. You'll find Tom to be very approachable and interested in developing lines of communication and support. Please feel free to consider inviting him to loop in to existing meeting structures or to make him aware of issues. We will transition Tom into DE and FFOTS work activities quickly. Join me in congratulating Tom on his recent promotion. Tom's contact information is tom.cooley@iowa.gov or 515.725.1120.

2014 Legislative Session

A summary of the statute changes resulting from the 2014 legislative session that impact education policy in Iowa can be found in the [Legislative Letter to the Field](#).

While this session did not have the broad, sweeping changes of last year, it helped support and solidify Iowa's efforts to strengthen teaching and learning in every classroom.

This summary is brief in comparison to previous years. Please take the time to not only read the document, but also to reflect on how this year's legislation can make meaningful, measurable differences in the quality of instruction in your school. While policy changes can present challenges, they also bring opportunities. This year, those opportunities are abundant. From building a teacher leadership support system to increasing opportunities for English Language Learners to supporting our focus on early childhood literacy, we have much to celebrate. And even more to do!

We look forward to working with you to implement these new changes and to continuing our shared work to ensure that every door of opportunity is open for all students in Iowa.

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Useful Links:

[Iowa Department of Education](#)
[School Leader Update](#)
[School Business Alerts](#)

“DON'T TOUCH THAT BUTTON until...”

Congratulations! Completing the Certified Annual Report is quite the accomplishment to more than a year's worth of work! However, in all the euphoria of completing the CAR, take some time to review what is about to be certified before clicking the “Certify” button. The Special Ed Supplement and the Transportation Reports are not the only reports that should be reviewed prior to certification. Viewing the reports created by the CAR is an important step before certifying.

- Balance Sheet –
 - ◊ Take a look at the balances of each account and compare to last year.
 - ◊ Think through any large variances to determine a reasonable explanation. Perhaps a second look for accuracy is in order.
 - ◊ Are all payables and receivables booked?
 - ◊ Fund Balances – do they make sense? Is the Committed fund balance that upon which the Board took action by June 30? If there were expenditures against this balance during the year, has the balance been adjusted accordingly? If there is an Assigned Fund Balance, is it accurate?
 - ◊ In the Proprietary and Fiduciary funds (60 – 89), does Account 76x, Investments in Capital Assets, Net of Related Debt, equal the balance of the capital assets less depreciation?
- Treasurer Report by Fund –
 - ◊ This report is a quick summary of beginning balance, revenues, expenditures and ending balance. Compare the beginning balance to the beginning balance on the district's software. The Adjustments to Beginning Balance row is a forced adjustment if the report doesn't add up. This should be zero. Compare balances, revenues and expenditures to the previous year for consistency and research any large variance if an explanation does not come to mind.
- Revenues and Expenditures
 - ◊ Same as above. Compare to prior year, research large unusual variances.
- Miscellaneous Income and Expenditure Report
 - ◊ Same as above. Compare to prior year, research large unusual variances.
 - ◊ Does the maximum Cash Reserve Levy amount seem correct in comparison to expected, or last year? If not, are all payables/expenditures coded? Are fund balances coded correctly, as Unassigned and Assigned Fund balances flow into this formula?
- Balance Sheet by Long-Term Governmental Account Group
 - ◊ A great place to start on Funds 8 and 9 is the audit report. Be sure the district is starting with the same balances reported in the previous year's audit. Increases and decreases should be journalized and reported as the ending balance in the current CAR.

Contact Denise Ragias at denise.ragias@iowa.gov or 515.281.4741.

FY14 Year End

We are all deep into year-end close out activities. Just a gentle reminder to please submit requests for payments in a timely way. We know there is much on your plate. We are mandated to pay FY14 expenses by the end of August. The only way we can accomplish that is to have you bill us for reimbursement. Please review any grants or contracts you have with the Department of Education, complete any final reports, and process requests for payment in a timely way. We will be issuing final Title I, Title II, Title VI, nonpublic transportation, and Perkins Vocational Education payments within the month, assuming everything from your end gets submitted.

Additionally, remember that billing for Special Education between districts is to occur by July 15. If you haven't yet completed that billing, please do so ASAP.

Good luck in FY15 and please keep those comments and questions coming! jeff.berger@iowa.gov or 515.281.3968.

Printing of the CAR in the Iowa Education Portal

Printing directly from the Iowa Education Portal may not work well when in the COA or CAR. For example, when printing a long list of edit messages, only the first page (or part of the page) will print when using the print option. However, users in the browser Mozilla Firefox, can right click on the mouse choosing “This Frame,” then choosing “Print Frame,” which will allow printing of all the edit checks. Users in Internet Explorer may not have that option. Right click, and if “print” is available, click on it. If not, districts can select all edits on the screen, copy, and paste into another document. For ease in printing or saving the Edit Checks, there is also a button on the screen, “Export to Excel.” This method will only list the “General Edit Checks.” In addition, districts can use this button when printing reports from the CAR. If you have further questions, please contact Denise Ragias at denise.ragias@iowa.gov or 515.281.4741.

School Financial Report Card Information

The Iowa Department of Education is pleased to provide a public reporting site developed to make accessible a variety of district-level information. To access LEA Financial Report Card information, go to <http://reports.educateiowa.gov> (remember this is one of those pieces of information you are to be making sure your public can access). Parts of the site are still under development. For questions, contact Jeff Berger, jeff.berger@iowa.gov or 515.281.3968.

Medicaid2013-2014 Revenue

During FY14, Iowa's LEAs were paid \$94,938,873 and retained, following payback of the state share, \$55,160,064; Iowa's AEAs were paid \$52,095, retaining \$29,861; and Iowa's Infant Toddler IDEA Part C providers were paid \$92,598, retaining \$53,585. In total, Iowa's IDEA Medicaid programs retained \$55,243,510, up 10.9 percent from FY13.

2014-2015 Rates

FY15 rates for Iowa's LEA, AEA, and Infant Toddler Medicaid Programs have been posted on the Medicaid page of the DE's website at <https://www.educateiowa.gov/pk-12/school-business-and-finance/special-education/medicaid>. FY15 rates are for service dates July 1, 2014 to June 30, 2015.

New Provider Manuals

The Iowa Department of Human Services issued new Medicaid Provider Manuals which can be viewed at:

- LEA manual—<http://dhs.iowa.gov/sites/default/files/Localedu.pdf>
- AEA manual—http://dhs.iowa.gov/sites/default/files/aea_0.pdf
- Infant Toddler manual—<http://dhs.iowa.gov/sites/default/files/InfTodd.pdf>

Trainings

This year you will need to register for Medicaid Trainings. The Department of Education switched to the Zoom video conferencing platform requiring an invitation from the DE to an individual's e-mail address. Please send an email with your selected date and time if you wish to attend to jim.donoghue@iowa.gov.

Dates and times are:

Thursday, August 14 9:00-10:00 a.m.
 Thursday, August 14 3:30-4:30 p.m.
 Monday, August 18 8:00-9:00 a.m.
 Monday, August 18 3:30-4:30 p.m.
 Wednesday, August 20 3:30-4:30 p.m.
 Thursday, Aug 21 8:00-9:00 a.m.
 Tuesday, Aug 26 8:00-9:00 a.m.
 Friday, Aug 29 9:00-10:00 a.m.

For further information, contact Jim Donoghue at jim.donoghue@iowa.gov or 515.281.8505.

Create a Report for Categorical Funding

- Go to the CAR, View Reports, Create Your Own Report.
 - ◇ Fiscal Year - Choose a time period; the previous year is the default. If using the operator "between" or "or", use both Data Value 1 and Data Value 2. If not using "between" or "or", then use Data Value 1 only for the year.
 - ◇ Account ID - place a "2" in the last column, named Subtotal by.
 - ◇ Project - put the project number in the Data Value 1 column.
 - ◇ Click on Create Report at the top of the screen.
 - ◇ Report will be grouped by Account ID (7-Equity/Fund Balance, 8-Revenues, 9-Expenditures). Clicking on an amount will bring up the account code detail.
 - ◇ The Account ID 7 shown reports the fund balance for the end of the selected fiscal year. For the beginning fund balance for the selected fiscal year, click the "Back to selection criteria" button, change the fiscal year to the prior year, click on the Create Report button, and record the number listed for Account ID 7.

This report is useful for state (Project 3xxx) and federal (Project 4xxx) grants. For CAR purposes, revenues for local (Project 111x) grants are not required to be coded separately. These local revenue amounts can be found in the document "Sources for Local Projects" found on the CAR webpage. Also, in the rare case that a district had a DE adjustment, this adjustment will not pull into the Create Your Own Report.

Contact Denise Ragias at denise.ragias@iowa.gov or 515.281.4741.

DE Special Education Billing Timeline Update

Throughout the school year, districts enter students into the Tuition In Billing Program and submit bills to other districts. The guidance we previously provided was to ensure from June 1 to June 15 that all students who were tuitioned in to your district and claims to be submitted to the state were entered into the program. Claims to be entered for state review and payment include foster care, termination of rights, nonpublic, and high cost claims. You should also enter claims for students who are educated in day programs, residential programs, and hospitals.

Students who are entered by other districts into the Tuition In Billing program as being a resident of your district, where they will be seeking payment from you for these services, will appear on your district's SES Home Page. Between June 15 and June 30, you were asked to verify the accuracy of the Tuition Out portion of the Home Page of your district's SES. If errors were noted, you were to contact the other district and work out any issue, with the overall goal being to ensure that the correct district is being billed and also to ensure that no students were overlooked and omitted. All students should now be entered and any necessary corrections and adjustments completed. If you have any remaining students that are not entered into your Tuition In Billing Program, please do this immediately.

As you finalize work on your Tuition In Billing Program, have entered all students, verified accuracy of all student information, uploaded your final comma delimited text file, and reviewed Screen 8, then you must click the Certify button on Screen 8. You should then proceed to Screen 9. After ensuring that this information is accurate, click the Certify button on Screen 9, and you may then print or email your final bills.

Districts have from July 1 to July 15 to submit their bills to other districts. All bills must be submitted by the resident district by July 15. The DE will begin processing Foster Care claims, Termination of Rights claims (also called District Court Placed), Nonpublic claims, and High Cost claims after August 1. It is critical that districts have all claims accurately entered prior to this date.

Throughout the Tuition In Billing Program (TIB@iowa.gov) and the SES (SES@iowa.gov) are places where you can enter and send email questions. Your questions will be reviewed and answered as quickly as possible. Please make use of this tool.

It is our goal to have the SES, CAR, and Transportation reports all available to districts to enter data on the same date.

Department of Education Preschool Staffing

Iowa Code 256C.5(4) grants the Department of Education an amount paid off the top of the school district preschool state aid for state administration and oversight of the preschool program. This allocation is necessary for the continued implementation and monitoring of the program. Over the past four years, the DE has not accessed this provision, as it had a specific appropriation for this purpose. That specific appropriation for the purpose ended in FY11.

This is an on-behalf payment. The district will record the amount as preschool revenue with an equal amount recorded as a preschool expenditure. The amount is \$33.17 per preschool budget enrollment. The deduction for the on-behalf payment will be spread throughout the ten state aid payments, September through June. This is a reduction to cash flow (state aid) sent directly to the district, but does not result in general fund spending authority in excess of state aid received because it is recorded by the district as both an on-behalf revenue and expenditure. The on-behalf revenue will be recorded in source & project 3117, program 860, and the expenditure in an equal amount will be recorded in function 233X, program 860, project 3117, object 31X.

Please contact Jeff Berger, jeff.berger@iowa.gov or 515.281.3968 with additional questions.

Sample Consortium and Contracted Services Agreements

You recall that the Iowa Department of Education released clarifying guidance on the appropriate or permissive uses of Special Education funds in late December. School districts are to be working to compliance with that guidance over the course of FY15, with full compliance and monitoring of that compliance occurring beginning July 1, 2015.

We've had many request for the DE's view of what an appropriate agreement could look like for school districts interested in forming a consortium for the delivery of programming to students or for school districts contracted with private service providers for the delivery of programming for students. The DE has developed two sample agreements along these lines. Of course, any agreement created by a local school district needs to address all issues locally, so these agreements are intended to be used as a starting point. The DE does not expect these documents to be adopted as written.

You can access these sample agreements in the same place as the December guidance, on the [Special Education Finance](#) page of the DE web site. For further questions, contact Jeff Berger jeff.berger@iowa.gov or 515.281.3968.

Finalizing Your Title I Budgets

It is time to work with your Title I coordinator to finalize your Title I budgets (general, carryover, SINA, migrant, and delinquent). If the district has spent all of the approved budget funds according to the way the funds were originally budgeted, click on the "Finalize Budget" button on the budget summary screen of the Title I application to finalize the budget.

If the district spent the approved budget funds differently than the way the funds were budgeted, but only varied in any category by no more than 10 percent, click on the "Finalize Budget" button on the budget summary screen of the Title I application to finalize the budget.

If the district did not spend all of the budgeted funds and/or funds were spent differently and the difference exceeded more than 10 percent in any category, a budget amendment is needed before clicking on the "Finalize Budget" button.

To amend:

- Click the "Add Amendment" button.
- Make the necessary changes to the budget on the detail screen.
- Click the "Update" button to save budget changes.
- Click the "Back to Summary" button and click the "Certify" button.
- Wait for the amendment to be approved at two levels by the state education agency (SEA).
- Click the "Finalize Budget" button to close out project.

There is no need to do an amendment prior to clicking the "Finalize Budget" button unless changes need to be made to the approved budget figures.

All Title I budgets are to be finalized no later than August 1.

Pages 97-100 of the Title I Reference Manual give information on finalizing the Title I project and amending a Title I project.

Contact Geri McMahon at geri.mcmahon@iowa.gov or 515.281.3944, if you have further questions.

Coding Corner

We have revised the program codes effective for FY15 reporting to assign specific codes for individualized costs in special education. The individualized costs will then flow into TIB and the SES program without manual adjustment by the district. There is an individualized cost program code assigned for every level. Level I is Program 2x2, Level II is Program 2x5, and Level III is Program 2x8. Please see the new program codes below. Districts are required to use these codes beginning in FY15.

200	Special Programs
210	Special Education Programs, School Age, served pursuant to an IEP (Must have a project code)
	211 Level I
	212 Level I Individualized Costs (effective FY15 reporting) (Jun14)
	214 Level II
	215 Level II Individualized Costs (effective FY15 reporting) (Jun14)
	217 Level III
	218 Level III Individualized costs (effective FY15 reporting) (Jun14)
	219 Unallocated
220	Infants & Toddlers (Early Access/Part C), birth to age 3, served pursuant to an IFSP (Must have a project code) (AEAs and Des Moines Only)
	224 Level II
	225 Level II Individualized Costs (effective FY15 reporting) (Jun14)
	227 Level III
	228 Level III Individualized costs (effective FY15 reporting) (Jun14)
	229 Unallocated
230	Early Childhood (Part B), ages 3-5, served pursuant to an IEP (Must have a project code)
	234 Level II
	235 Level II Individualized Costs (effective FY15 reporting) (Jun14)
	237 Level III
	238 Level III Individualized costs (effective FY15 reporting) (Jun14)
	239 Unallocated
240	Hospital/Homebound (Must have a project code)
	241 Level I
	242 Level I Individualized Costs (effective FY15 reporting) (Jun14)
	244 Level II
	245 Level II Individualized Costs (effective FY15 reporting) (Jun14)
	247 Level III
	248 Level III Individualized costs (effective FY15 reporting) (Jun14)
	249 Unallocated

Questions on coding? Contact Janice Evans janice.evans@iowa.gov 515.281.4740.

Nonpublic Transportation Report

Reimbursement requests must be collected twice per year by the districts. Below is the accounting for the various scenarios the district can encounter. Keep in mind that all revenues will equal all expenditures for this project number.

Sample Accounting

Book a revenue and receivable at the end of the fiscal year.

	Account_id	Fund	Facility	Func	Program	Project	Object	Source	Account
Debit	1	10	xxxx		51x	3221			141
Credit	8	10	xxxx		51x	3221		3221	

For the portion due parents, book an expenditure and payable at the end of the fiscal year.

	Account_id	Fund	Facility	Func	Program	Project	Object	Source	Account
Debit	9	10	xxxx	27xx	51x	3221	516		
Credit	4	10	xxxx		51x	3221			421

For the portion due a private contractor, book an expenditure and payable at the end of the fiscal year.

	Account_id	Fund	Facility	Func	Program	Project	Object	Source	Account
Debit	9	10	xxxx	27xx	51x	3221	515		
Credit	4	10	xxxx		51x	3221			421

For the portion that is due the district for costs incurred to transport nonpublic students, book an intrafund expenditure at the end of the fiscal year.

	Account_id	Fund	Facility	Func	Program	Project	Object	Source	Account
Debit	9	10	xxxx	27xx	51x	3221	951		
Credit	9	10	xxxx	27xx	000	0000	951		

Contact Denise Ragias at denise.ragias@iowa.gov or 515.281.4741 or Janice Evans at janice.evans@iowa.gov or 515.281.4740.

School Transportation

Just a reminder that as of May 21, all school bus driver Department of Transportation (DOT) physicals must be performed by a certified medical examiner. The federal government has made this a requirement for anyone obtaining a DOT physical. The following link ([National Medical Examiners Registry](#)) takes you to a map showing the location of all certified medical examiners within the state of Iowa and across the nation. If you have any questions, please contact Max Christensen at 515.281.4749 or max.christensen@iowa.gov.

Fees

There is no such thing as a "registration fee," so avoid using that term. The allowable fees expressly authorized in Iowa Code are:

- Textbooks **(301.1)**.
- School supplies **(301.1)**.
- Summer school programs **(282.6)**.
- Driver education programs **(282.6)**.
- Transportation fees for resident students who are not otherwise entitled to free transportation **(285.1(1))**.
- Eye protective devices **(280.10)**.
- Ear protective devices **(280.11)**.
- School meals **(283A)**.
- Nonresident student tuition **(282.1)**.

Iowa Code states the board of directors of the school district is authorized and empowered to contract for and buy books and any and all other necessary school supplies at contract prices, and to sell those books and supplies to their students at cost, loan the textbooks to their students free, or rent the textbooks to their students at a reasonable fee as set by the board **(301.1)**.

Various opinions of the attorney general have added clarification to when fees are allowed for school supplies.

- A school district may not assess fees for items which are necessary or essential to the instruction of a class unless such a fee is specifically authorized by the Code; however, a district may assess fees for school supplies which represent the cost of the item or a reasonable rental fee. The cost of items which are necessary or essential to the instruction of a class must be properly characterized as tuition rather than school supplies. Examples are art supplies for art classes and chemicals for science classes. In contrast, pens and paper used by students to take notes would be properly characterized as school supplies **(OAG #93-7-3(L))**.
- All facilities, supplies, and other items which are necessary or essential to instruction must be provided free of charge [except as expressly allowed by Code] in a tuition-free school which is required by law. A school district may purchase other supplies and distribute them to students, but they must be provided for free, rented for a reasonable fee, or sold at cost **(OAG #79-12-22)**.
- Public schools may not charge fees for courses offered as part of their educational program [except as expressly allowed by Code] as such fees constitute tuition. Schools may not charge fees for extracurricular activities as no express or necessarily implied statutory authority exists for such fees **(OAG #81-8-29)**.

The restrictions on fees related to school supplies are equally applicable to lists of class supplies given to parents to provide. If the school district would not have been allowed by law to charge students a fee for the item, then the district cannot require the parents to provide those items either. Those items, which are necessary or essential to the instruction of a class, must be provided by the district. Examples would be paints, crayons, art erasers, scissors, clay or similar supplies used for art instruction.

Likewise, parents cannot be required to provide district or classroom supplies. These are the responsibility of the district to provide. Examples would be disinfecting wipes and other cleaning supplies, adhesive bandages, handheld calculators required for a class, dry erase markers, hi-liters, multiple rolls of scotch tape, multiple bottles of glue, boxes of plastic bags, paper towels, etc.

In addition, allowable school supplies provided by students or their parents, remain the property of those students providing the supplies and do not become general classroom supplies. Examples would be pencils or other markers used in place of pencils, colors, notebooks, boxes of tissues, folders, backpacks or school bags, etc.

1. Fee waivers, full and partial, are governed by [281--Iowa Administrative Code 18](#). A full waiver of all fees shall be granted if the student or the student's family meets the financial eligibility criteria for free meals, for the Family Investment Program (FIP), for transportation assistance under open enrollment, or if the student is in foster care. A partial waiver is appropriate if the student or student's family meets the financial eligibility criteria for reduced-price meals, and is based on "a sliding scale related to an ability to pay." One simple way to justify the amount of a partial waiver is to make sure that it corresponds to the percentage of the reduced-price meal from full-price meal. Finally, each school district has discretion to grant a temporary waiver of one or more fees in the event of a temporary financial difficulty in the student's immediate family. This temporary waiver may be granted at any time during a school year; the maximum length of a temporary waiver shall be one year.

Contact Su McCurdy at su.mccurdy@iowa.gov or 515.281.4738.

August Property Tax Receipts

August property tax receipts are not all related to the prior year and districts need to evaluate what should be accrued as taxes receivable and as FY14 revenues, and what should be FY15 revenues. Delinquent property taxes received in August are accrued to FY14. The current, mobile home (unless noted as delinquent), and Ag land taxes received in August are FY15 revenues.

If you have further questions, please contact Janice Evans at janice.evans@iowa.gov or 515.281.4740.

New Account Codes

The Iowa Chart of Account Coding which lists all account codes for this state is located at [Uniform Financial Accounting](#). It is updated with additions and deletions as we become aware of them. We are currently reviewing this year's legislation to determine the new source and project codes needed and hope to assign those by the August update. These changes are listed at the front of the document for quick review. At the beginning of each month, an updated version of the document is posted to the web. It is recommended that prior to uploading the CAR, districts compare their own chart of accounts with the Iowa Chart of Account Coding for accuracy. If you have further questions, please contact Janice Evans at janice.evans@iowa.gov or 515.281.4740.

School Finance Resources

Superintendents and business managers new to a district or new to the state need to know how to access basic finance information. The finance team has created a web page with resource links that provide a good place to start the exploration of Iowa school finance. [School Finance Resources](#)

If you have further questions, please contact Joyce Thomsen at joyce.thomsen@iowa.gov or 515.242.5612.

School Board Officers

The Department of Education sends financial communications to the CFO (SBO) and Additional Financial Officer contacts from the information provided in the School Board Officer Application. If you have a change in personnel, be sure to update your information at [Iowa Education Portal](#).

Questions may be addressed to Marcia Krieger at marcia.krieger@iowa.gov or 515.281.5293.

Whole-Grade Sharing Supplementary Weighting

The Reorganization Progress Report is now available on the [Portal](#) for districts that wish to qualify for supplementary weighting for whole-grade sharing and that have passed a resolution to study reorganization with partner districts. The application is due August 1, 2014. If you have any questions, contact Joyce Thomsen at joyce.thomsen@iowa.gov or 515.242.5612.

AEA Juvenile Home Claims

The Juvenile Home Claim application is open to the AEAs for completion and certification by August 1. The application can be found on the [Portal](#). The instructions are posted on the web at [Budgets, Area Education Agencies](#). Please remember that this claim is for regular education students only. Out-of-state students and students served pursuant to an IEP would be billed to their districts of residence. Do not include the ADM of students for whom the AEA is paid tuition.

Contact Denise Ragias at denise.ragias@iowa.gov or 515.281.4741.

Federal Title IIA Teacher Quality Fund Reimbursement

Please submit your Title IIA requests for reimbursement by July 16, 2014. This will give the Department time to process them and get them paid on a regular schedule. For further information, contact Isbelia Arzola at 515.281.3954 or isbelia.arzola@iowa.gov.

Upcoming Deadlines

Upcoming Deadlines	
Reorganization Progress Report	8-1-14
AEA Juvenile Home Claims	8-1-14
Special Ed, Termination of Rights (also called District Court Placed)	8-1-14
Special Ed, Nonpublic Claims	8-1-14
Special Ed, Foster Care Claims	8-1-14
Special Ed, High Cost Claims	8-1-14



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gary.schwartz@iowa.gov
515.281.4743

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Clarification on Recent Payments for Wellness Policy Workshops and the School Health Profiles Survey Participation

We are sorry for the problems with these recent payments and there were several issues. Many of you had staff members attend a Regional School Wellness Policy Workshop. Those that participated were to be reimbursed for items purchased related to your local action plan and potentially mileage and sub pay. Others in your organization participated in a School Health Profiles Survey and the district was compensated for time spent by staff completing the survey.

- The deposits were generally made to your nutrition account when these were not really nutrition payments. These are both federal miscellaneous funding. Local coding of expenses for this workshop could vary depending on who attended. Please move this money where you need to move it to make it work for you.
- For the survey, districts were paid \$84.87 per building for participation. This odd amount is resulting from dividing the number of survey participants into the total funding (\$50 minimum, plus the remainder divided among participants). This would have been showing "Aids Education" CT053014 – 1 School Health Surveys on our payment notice system. You should offset this revenue by reallocating the appropriate salary and FICA expenditures for an equal amount.
- Eight districts appeared to get duplicate payments. This was a hiccup in our payment notice system. Those districts only got paid once. Disregard the duplicate – it is likely already corrected on the master payment list for your district.
- This funding has nothing to do with the Super Power Summit. The connection to that in the payment system is wrong and again, is likely already corrected.

Again, sorry for the confusion on this tiny dribble of funding. We'll do better next time. If you have further questions or concerns, contact [Jeff Berger](mailto:jeff.berger@iowa.gov), 515.281.3968.

Inside This Issue

- ◇ Clarification on Recent Payments for Wellness Policy Workshops and the School Health Profiles Survey Participation
- ◇ Shared Teachers and TSS
- ◇ How Much Energy are Your School Buildings Using
- ◇ Department of Education Preschool Staffing
- ◇ Fall BEDS and Fall BEDS Staff
- ◇ Data Collections Open
- ◇ Apply to be a Green Ribbon School
- ◇ Reorganizing or Sharing Your District Soon
- ◇ Juvenile Home Advance Payment Schedule
- ◇ District Contact Verification

The August School Leader Update can be found at:

www.educateiowa.gov

Shared Teachers and TSS

Q: When we share a teacher with another district, do we charge them a portion of the teacher salary supplement (TSS) for that teacher?

A: No. The TSS is categorical money from the state to the district that employs the teacher. The employing district cannot also generate TSS funding, or supplant the TSS funding with general purpose money, by billing another district for that portion of the salary. The district or AEA that is purchasing a portion of a teacher's time cannot share its TSS funding for that purpose.

The only time that a district may share its TSS is when negotiated to follow students under a whole-grade sharing (WGS) written agreement. That sharing of TSS money under WGS is tied to students rather than teachers. The requirement to negotiate sharing of teacher quality money under WGS applies to all sources of teacher quality money.

Under open enrollment (OE), no teacher quality money will follow students except for the TLS/TLC money, and that will only follow students if both districts are receiving an allocation for having an approved TLC plan.

Please contact [Su McCurdy](#), 515.281.4738 with additional questions.

How Much Energy are Your School Buildings Using?

Are they using more energy than neighboring schools? Learn how school buildings near you are performing in this live report from the [Iowa Public Building Benchmarking Program](#). The Iowa Public Buildings Benchmarking Program recently unveiled this live report on public buildings participating in the program. To date, the 27 school districts that have joined are tracking their energy, making improvements, and saving money – dollars that can now be put into the classroom. At the program's core is a free, robust online tool designed to help your school district better manage energy in school buildings. The tool facilitates not only ongoing trending analysis, but also provides modeling and peer comparison metrics to prioritize buildings for energy efficiency improvements.

As the old saying goes, "You can't manage, what you don't measure." If you too want to know whether your schools are using energy efficiently, it is time to start measuring. The Iowa Public Buildings Benchmarking Program is recruiting 150 new buildings on a first-come, first-served basis, so click here for the [Iowa Energy Benchmarking Project Invitation](#) or contact [Katie Schmitt](#) from the Iowa Public Building Benchmarking Program to start measuring today!

Department of Education Preschool Staffing

Iowa Code 256C.5(4) grants the Department of Education (DE) an amount paid off the top of the school district preschool state aid for state administration and oversight of the preschool program. This allocation is necessary for the continued implementation and monitoring of the program. Over the past four years, the DE has not accessed this provision, as it had a specific appropriation for this purpose. That specific appropriation for the purpose ended in FY11.

This is an on-behalf payment. The district will record the amount as preschool revenue with an equal amount recorded as a preschool expenditure. The amount is \$33.17 per preschool budget enrollment. The deduction for the on-behalf payment will be spread throughout the ten state aid payments, September through June. This is a reduction to cash flow (state aid) sent directly to the district, but does not result in general fund spending authority in excess of state aid received because it is recorded by the district as both an on-behalf revenue and expenditure. The on-behalf revenue will be recorded in source & project 3117, program 860, and the expenditure in an equal amount will be recorded in function 233X, program 860, project 3117, object 31X.

Please contact [Jeff Berger](#), 515.281.3968 with additional questions.

Fall BEDS and Fall BEDS Staff

- Fall BEDS and Fall BEDS Staff are anticipated to open on Tuesday, September 2.
- The due date will be October 15 to align with the reporting of staff for supplementary weighting.
- Those districts wanting to take advantage of the operational sharing supplementary weighting **MUST** have all errors resolved and be certified by the due date.
- There has been an additional certification form created for operational sharing supplementary weighting.
- Position and assignment codes to use for operational sharing supplementary weighting are listed below.

For further information on operational sharing, please see the [operational function sharing guidance](#).

Position	Assignment
511 – Superintendent	40 001 Superintendent
650 – School Administration Manager (SAM)	50 050 School Administration Manager
612 – School Business Official	50 035 School Business Official
133 – Other Business Official	99 050 Non-Licensed Staff
112 – Board Secretary	99 050 Non-Licensed Staff
134 – HR/Personnel Manager	99 050 Non-Licensed Staff
167 – Transportation Director	99 050 Non-Licensed Staff
168 – Operations Director	99 050 Non-Licensed Staff
633 – Director/Coordinator/Department Head	50 011 Elementary Curriculum (Grades PK-8 only)
633 – Director/Coordinator/Department Head	50 032 Secondary Curriculum (Grades 9-12 only)
721 – Counselor	60 035 Guidance Counselor (Grades PK-8 only)
721 – Counselor	30 010 Guidance (Grades 9-12 only)

- There have also been position and assignment codes added for those districts that are participating in the Teacher Leadership Grant Program. There will be a new program code (10 – Teacher Leadership Grant) for the Teacher Leadership Grant Program as well as the position and assignments listed below:

Position	Assignment
640 – Teacher Leader	96 001 Model Teacher
640 – Teacher Leader	96 002 Mentor Teacher
640 – Teacher Leader	96 003 Lead Teacher
640 – Teacher Leader	96 004 Instructional Coach
640 – Teacher Leader	96 005 Curriculum and Prof Dev Leader
640 – Teacher Leader	96 006 Other (if this is chosen, must enter what the assignment is in the comment area provided in the application)

- There has been a shared indicator added for private providers.
- Position Code 132 – Interpreters have been renamed Sign Language Interpreters to clarify the staff that should be reported using this position code.
- There have also been definition changes to nurses, health aides, and paras.
- There will be a new form asking districts if they want the DE to upload Civil Rights Data Collection (CRDC) data for them and if they want us to upload the “optional” data for 2013-2014.

For questions, please contact [Mike Baethke](#), 515.281.5286 or contact [Marlene Dorenkamp](#), 515.281.5507.

Data Collections Open

Certified Annual Report (CAR) – due Monday, September 15

Although the CAR - 2014 COA Test Records remain available for use, it is recommended that the CAR – 2014 Upload and Reports be used for a full file upload. Multiple uploads can take place in the Upload and Reports, just as they can in the Test Records. Last year, warnings were introduced to the CAR. These are not absolutes for each district, but usually do apply to most districts. This year, districts must comment on any warnings remaining on the CAR, giving a brief explanation as to why each situation is not applicable to their district.

There is only one non-fiscal report to be completed, Nonprofit School Organizations. Instructions for the CAR are found on the [Certified Annual Financial Reports](#), which define the criteria for the Nonprofit School Organizations report. If the criteria do not apply to a district, the district must still click on the “Update” button within the report. A “Certify” button will not appear until the file is edit free, comments have been made for each warning, and the Nonprofit School Organizations report is completed if applicable or updated if not applicable.

Extensions are available for good cause such as illness or death of the staff member responsible for the filing, acts of God, or unforeseeable circumstances. Please refer to the CAR instructions for more information about extension requests and the CAR deadline.

Questions regarding the upload and/or account coding may be directed to: [Denise Ragias](#), 515.281.4741 for help with the uploads, reports, and extensions or [Janice Evans](#), 515.281.4740 for help with account codes and journal entries.

Special Education Supplement – due Monday, September 15

The Special Education Supplement main page is the only screen available until August 14. There is a link on this screen to obtain the Screen 1 information, tuition out students in a district. Any questions related to the Special Education Supplement should be sent to SES@iowa.gov.

Transportation Annual Report – due Monday, September 15

When completing the transportation annual report, the collection process for the data has been simplified in a number of ways by pulling financial information into the report from a number of other data sources. The two things that the district must still fill in manually are the number of miles and the student count. A word of caution, however, when filling out the information for the student count. We still incorporate the process of using aggregate weeks in determining the average number of students riding the school buses. The number put into the “aggregate weeks” column will be the total number of weeks for each individual rider in the group – not the total number of weeks for the riders as a group. As an example, if buses ran for 36 weeks and 10 students rode the buses every week, the total aggregate weeks would be 360 (10 students x 36 weeks) and not 36. After entering 360 into the “aggregate weeks” column, the report will then determine the average number of riders. Keep in mind, a student need only ride a bus one time per week to be counted for one aggregate week. For more information, contact [Max Christensen](#), 515.281.4749. Please see full instructions at [Transportation Guidance](#).

School Association Reporting – due Monday, November 17

The FY14 data collection for “School Association Reporting” will be available on the Iowa Education Portal after the CAR is certified (after September 15). Instructions for this report are at [FY14 School Association Reporting Instructions](#). Any questions regarding this report should be directed to [Gary Schwartz](#), 515.281.4743.

Facilities, Elections and Sales Tax – due Tuesday, September 30

The FY14 data collection for “Facilities, Elections, and Sales Tax” will be available on August 14 on the Iowa Education Portal. School districts should complete the CAR before certifying this application. Instructions for this data collection are at [FY14 Facilities Data Collection Instructions](#). Any questions regarding this report should be directed to [Gary Schwartz](#), 515.281.4743.

School Board Officers Application

Please check the School Board Officers Application at the [Iowa Education Portal](#) to make sure all the information is correct. Be sure the auditor and software provider information is also completed. The email lists the Department of Education uses to contact districts include data that are pulled from this application, especially the board president and business office people. Making sure this application is updated on a timely basis will ensure the appropriate people receive the information they need. Contact: [Marcia Krieger](#), 515.281.5293.

Apply to be a Green Ribbon School (GRS)

The goal of the [U.S. Department of Education Green Ribbon Schools](#) (ED-GRS) program is to inspire schools, districts, and Institutions of Higher Education (IHEs) to strive for 21st century excellence, by highlighting exemplary practices and resources that all can employ. Each year, all GRS honorees are invited to Washington, D.C. for a ceremony to celebrate their success, share information, and receive a plaque to commemorate their achievement. The award recognizes schools, districts, and IHEs that:

- Reduce environmental impact and costs;
- Improve the health and wellness of schools, students, and staff; and
- Provide environmental education, which teaches many disciplines, and is especially good at effectively incorporating STEM, civic skills, and green career pathways.

Combined achievement in ALL three of these areas, collectively known as Pillars, serves as the basis for recognition. Encouraging resource efficient schools, districts, and IHEs allows administrators to dedicate more resources to instruction rather than operational costs. Healthy schools and wellness practices ensure that all students learn in an environment conducive to achieving their full potential, free of the health disparities that can aggravate achievement gaps. Sustainability education helps all students engage in hands-on learning, hone critical thinking skills, learn many disciplines and develop a solid foundation in STEM subjects. It motivates postsecondary students in many disciplines, and especially those underserved in STEM subjects, to persist and graduate with sought after degrees and robust civic skills.

Applications must be submitted to the Iowa Department of Education by January 7, 2015. The DE will review applications based on the applicant's demonstrated progress towards the goals of each of the three pillars. Nominees demonstrating exemplary achievement in all three pillars and every element will be ranked highest. The DE is permitted to nominate to the ED-GRS as many as four PK-12 school nominations and one school district nomination to the U.S. Department of Education.

The application will be available in September on the DE website: [Green Ribbon Schools](#). Visit the ED-GRS website to learn about the GRS program: [U.S. Department of Education Green Ribbon Schools](#). For more information about the program, contact [Gary Schwartz](#), Facilities Consultant, 515.281.4743.

Reorganizing or Sharing Your District Soon?

Is your district planning to reorganize in the next few years? Or has your district entered into a new whole-grade sharing arrangement, terminated a whole-grade sharing arrangement, or changed the shared grades in your existing whole-grade sharing arrangement? If so, please contact [Joyce Thomsen](#), 515.242.5612 with that information, and keep her informed periodically of your progress.

District Contact Verification

All School Business Officials and other LEA/AEA contact people responsible for their district's Special Education Supplement, Special Education Billings, Claim Forms and Medicaid Claiming are reminded to check whether the contact person listed for each of these applications is correct. You may complete this process on the main page of your districts Tuition In Billing program. Please verify the contact person, telephone number and email address are up-to-date. Thank you for assuring the correct information is entered for your district. Should you have any questions, please contact [Bill Roederer](#), 515.281.7972.

Juvenile Home Advance Payment Schedule

The 2014-15 Juvenile Home Advance Payment Schedule for AEAs has been posted to the web on the [Budgets, Area Education Agencies](#). Questions—[Denise Ragias](#), 515.281.4741

Upcoming Deadlines

New Regional Academy Applications Due	9-1-14
Vehicle Information System Update	9-1-14
CAR, SES, Transportation Reports Due	9-15-14
Facilities, Elections & Sales Tax Data Collection Due	9-30-14



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES**Finance, Facilities, Operation, and Transportation Services**

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Fall BEDS Questions About Radon

Each district and accredited nonpublic school is required to notify the Department by December 1, 2014, whether it has a radon testing and mitigation plan or any expectations to implement such a plan. The Department has included the following questions about radon testing and mitigation in the fall BEDS report to address the requirements contained in SF366 – Radon Notification and Testing. The information collected, in aggregate, will be reported to the General Assembly by January 1, 2015. Information regarding the risks associated with [radon gas in school facilities](#) is posted on the Department's website. If you have further questions, contact Gary Schwartz, 515.281.4743 or gary.schwartz@iowa.gov.

1. Does the public school district or nonpublic accredited school have a radon testing and mitigation plan that will be implemented by December 1, 2014?
 - No – If no, proceed to question #2.
 - Yes – If yes, proceed to the following questions:
 - ◇ How many school attendance centers have been tested for radon?
 - ◇ How many classrooms within the school/school district have been tested for radon?
 - ◇ How many classrooms tested at 4pCi/L or greater?
 - ◇ How many school attendance centers have been mitigated to reduce the levels of radon in buildings that tested 4pCi/L or greater?
2. Does the public school district or nonpublic accredited school have plans to implement a radon testing and mitigation plan?
 - No
 - Yes – If yes, proceed to the following question:

What school year will the school or school district implement a radon testing and mitigation plan?

 - ◇ 2014-2015
 - ◇ 2015-2016
 - ◇ 2016-2017
 - ◇ 2017-2018
 - ◇ 2018-2019 or later

Martin Bros' Settlement for Hot Lunch Program Food Procurement

We are aware that there have been some recent news stories and notices regarding Martin Brothers' settlement of a class action suit involving school lunch food procurement. This settlement was related to a lawsuit filed by several constituents/parents residing in Iowa school districts. While the Department of Education and the Area Education Agency system are not involved in the settlement, we are sharing some information to assist you in answering questions.

Inside This Issue

- ◇ Fall BEDS Questions About Radon
- ◇ Martin Bros' Settlement for Hot Lunch Program Food Procurement
- ◇ Teacher Salary Supplement—Covered Employees
- ◇ Standard and Severe Need Breakfast Reimbursement
- ◇ Medicaid Trainings
- ◇ Transportation
- ◇ Open Enrollment Tuition
- ◇ Title II, Part A Application and 2014-2015 Allocations
- ◇ Data Collections
- ◇ Local Auditor Access to Prior Year LEA Financial Information

The September School Leader Update can be found at:

www.educateiowa.gov

Continued on page 2

Continued from page 1, Martin Bros' Settlement for Hot Lunch Program Food Procurement

Anyone who paid for meals at member schools between January of 2000 and August of 2014 are members of the settlement class. Member schools are listed on the settlement web site and instructions to file a claim are also included. The online claim form must be completed no later than September 30, 2014. Funds remaining after attorney's fees and class members receive their payments will be paid to participating school districts on a pro rata basis.

Complete information is located at: <http://iowaschoolfoodsettlement.com/>.

For further information, contact Ann Feilmann at ann.feilmann@iowa.gov or 515.281.4757.

Teacher Salary Supplement – Covered Employees

There have been recent questions regarding who is qualified for teacher salary supplement (TSS) since the rules indicate the funding is limited to additional salaries and certain benefits for teachers, which some have interpreted as classroom teachers. TSS is paid to employees that have a contract issued pursuant to Iowa Code section 279.13 or meet the definition of teacher in section 284.2, which includes employees other than classroom teachers.

284.2 Definitions

As used in this chapter, unless the context otherwise requires:

284.2(11). "Teacher" means an individual who holds a practitioner's license issued under chapter 272, or a statement of professional recognition issued under chapter 272 who is employed in a nonadministrative position by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.13. A teacher may be employed in both an administrative and a nonadministrative position by a board of directors and shall be considered a part-time teacher for the portion of time that the teacher is employed in a nonadministrative position.

279.13 Contracts with teachers — automatic continuation — initial background investigations

1. a. Contracts with teachers, which for the purpose of this section mean all licensed employees of a school district and nurses employed by the board, excluding superintendents, assistant superintendents, principals, and assistant principals, shall be in writing and shall state the number of contract days, the annual compensation to be paid, and any other matters as may be mutually agreed upon. The contract may include employment for a term not exceeding the ensuing school year, except as otherwise authorized.

Contact [Tom Cooley](#), 515.725.1120 if you have additional questions.

FY15 - Standard and Severe Need Breakfast Reimbursement - Warrants and Electronic Funds Transfer (EFT) Changes

As we implement the reimbursement payment process in IowaCNP, you may notice a difference in the amount of reimbursement earned for standard breakfast (BRK) reimbursement and the amount earned for severe need breakfast (SNBRK) reimbursement on the warrant/EFT. In years past, the amount labeled SNBRK only included the extra reimbursement earned for the severe need qualified free and reduced breakfasts. Now, the payment labeled SNBRK will include both the standard breakfast reimbursement and the extra reimbursement for all breakfasts (free, reduced, and paid) from sites qualified for severe need breakfast reimbursement.

Thus, the amount labeled BRK will now only include the standard breakfast reimbursement for sites that do not qualify for severe need breakfast reimbursement. In FY15, the standard reimbursement in a regular/non-severe need school for a free student breakfast is \$1.62, the reduced price student breakfast is \$1.32, and a paid student breakfast is .28. In a severe need eligible school, the severe need reimbursement for a free student breakfast is \$1.93, a reduced price student breakfast is \$1.63, and a paid student breakfast is .28. Questions may be directed to Joyce Sabel at joyce.sabel@iowa.gov, 515.281.4752 or Patti Harding at patti.harding@iowa.gov, 515.281.4754.

Medicaid Trainings

This year you will need to register for Medicaid trainings. The Department switched to the Zoom video conferencing platform requiring an invitation from the Department to an individual's e-mail address. Please send an email to jim.donoghue@iowa.gov with the selected date(s) and time(s) if you or one of your staff wish to attend the Medicaid trainings.

Dates and times:

Monday	September 15	3:00 to 4:00 p.m.
Monday	September 22	3:00 to 4:00 p.m.
Tuesday	September 23	9:00 to 10:00 a.m.
Monday	September 29	3:00 to 4:00 p.m.
Tuesday	September 30	9:00 to 10:00 a.m.
Thursday	October 2	9:00 to 10:00 a.m.
Friday	October 3	9:00 to 10:00 a.m.
Monday	October 13	3:00 to 4:00 p.m.
Tuesday	October 14	9:00 to 10:00 a.m.
Wednesday	October 15	11:00 a.m. to 12:00 p.m.

For further information, contact Jim Donoghue at jim.donoghue@iowa.gov or 515.281.8505.

Open Enrollment Tuition

The amount of open enrollment tuition for the 2014-2015 school year for a regular education student is \$6,121, which is the state cost per pupil from the previous fiscal year. For a student served pursuant to an IEP, open enrollment tuition is calculated as the actual costs of the special education instructional program rather than the prior year's state cost per pupil amount. Open enrollment tuition is billed and paid on a quarterly basis. Under special circumstances that terminate or suspend open enrollment status, it is necessary to prorate tuition in a quarter on a per diem basis. More information about open enrollment can be found at <https://www.educateiowa.gov/pk-12/options-educational-choice/open-enrollment>.

Questions? Contact Eric Heitz, eric.heitz@iowa.gov, 515.281.4726.

Transportation

With the new school year comes much needed new information. Though school bus driver authorizations aren't anything new, please remember that all of the school bus drivers in a district must have a valid and current authorization issued to them each year. This needs to be done prior to August 15. We are seeing a number of districts that have failed to do this yet. Please realize that a school bus driver without a current authorization is driving illegally. Be sure to check your driver list to be sure your school is in compliance. As to other needed information, a "Welcome Back to School" letter detailing much of the new school transportation information has been posted to the Department of Education website. Guidance related to call-back inspections is also available at the Department website, as well as contact information for the School Transportation Office. School transportation information can be found at: [School Transportation Guidance](#).

For more information, contact Max Christensen at max.christensen@iowa.gov or 515.281.4749.

Title II, Part A Application and 2014-2015 Allocations

School districts must complete applications before they can receive funding for preparing, training, and recruiting quality teachers and principals (Title II, Part A). Funds totaling more than \$16.8 million will be distributed through the Iowa Department of Education. To complete an application, you will need to go to the [Iowa Department of Education Portal](#). Allocations are available at [Title II, Part A](#).

If you have any questions regarding the allocations or the application, contact Isbelia Arzola at isbelia.arzola@iowa.gov or 515-281-3954.

Data Collections

Transportation Annual Report – due Monday, September 15

When completing the annual school transportation report, the data collection process has been simplified in a number of ways by pulling financial information into the report from other data sources. The two things that the district must still complete manually are the number of miles and the student count. A word of caution, however, when filling out the information for the student count. We still incorporate the process of using aggregate weeks in determining the average number of students riding school buses. The number put into the “aggregate weeks” column will be the total number of weeks for each individual rider in the group – not the total number of weeks for the riders as a group. As an example, if buses ran for 36 weeks and 10 students rode the buses every week, the total aggregate weeks would be 360 (10 students x 36 weeks), not 36. After entering 360 into the “aggregate weeks” column, the report will then determine the average number of riders. Keep in mind, a student need only ride a bus one time per week to be counted for one aggregate week. For more information, contact Max Christensen at max.christensen@iowa.gov or 515.281.4749. Please see full instructions here: [Transportation Annual Report Instructions](#).

Special Education Supplement – Due Monday, September 15

The Special Education Supplement (SES) is due Monday, September 15 and must be certified on or before that date. Districts must receive board approval for the “Request for Modified Allowable Growth and Supplemental Aid” for their special education deficit. However, districts can include this request on their September or October school board meeting agenda. Please upload your board minutes on the Certification Screen of the SES or email your minutes to SES@iowa.gov. Any questions related to the Special Education Supplement should be sent to SES@iowa.gov following your school board meeting. Contact Bill Roederer, bill.roederer@iowa.gov or 515.281.7972.

Facilities, Elections and Sales Tax – Due September 30

Access to this application is available through the [Iowa Education Portal](#). Instructions for this data collection are at [FY14 Facilities Data Collection Instructions](#) and also on the certification page. Any questions should be directed to gary.schwartz@iowa.gov, 515.281.4743.

School Association Reporting – Due November 17

Districts must complete this FY14 report after their CAR is certified. The report will be available to districts after September 15 on the [Iowa Education Portal](#). Instructions for this report are at [FY14 School Association Reporting Instructions](#). Any questions should be directed to gary.schwartz@iowa.gov, 515.281.4743.

Local Auditor Access to Prior Year LEA Financial Information

In past years, local auditors could go to the Department’s EdInfo website to see information on a local school district’s prior year revenues from the state. With the implementation of the Iowa Education Portal, EdInfo has really ceased to exist. If the auditor clicks on the link to EdInfo, the following message will be displayed:

*****Attention Auditors***** “For those needing to access LEA payment confirmation data, please click on the Auditor button below and on the following screen enter your login information.”

After you click the “Auditor” button, enter FY14 in the “Login ID” and click “Submit.” You will see the “Payments to Department of Education Subrecipients” screen. Enter the district’s headquarter number or district name and hit the go button.

Contact Jeff Berger at jeff.berger@iowa.gov or 515.281.3968 with any questions.

Upcoming Deadlines	
CAR, SES, Transportation Reports Due	9-15-14
Facilities, Elections & Sales Tax Data Collection Due	9-30-14
Board Resolutions for Whole Grade Sharing Supplemental Weighting	10-1-14
Last Date to Notify the SBRC if District Incurred Negative Unspent Balance	10-15-14



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Limited English Proficient (LEP) Modified Supplemental Amount (MSA) for (1) providing FY15 LEP instruction to students beyond the five years of weighting, and (2) actual excessive costs of providing FY14 LEP instruction to all students (both less than and beyond the five years of weighting)

The first MSA request stated above (FY15 LEP instruction to students who are beyond the five years of weighting), will continue to be on the School Budget Review Committee (SBRC) application on the [Ed Portal](#). The information prepopulates from the Student Reporting in Iowa (SRI) data collection system as this request is based on a formula rather than actual costs. The request will be handled as a class action item at the March SBRC hearings as usual. Don't forget to provide board minutes.

The second MSA request stated above (actual excessive costs of offering LEP instruction in FY14) has been changed from previous years at the suggestion of School Business Officials (SBOs). The suggestion was to handle LEP MSA in the same manner as special education MSA in order to accurately identify actual LEP costs and to apply the MSA to the same year, retroactively, in which the expenditures occurred. The data will be prepopulated from the CAR-COA, SRI, and BEDS staffing reports to the extent possible after the end of the fiscal year in which the costs were incurred. The districts will need to provide basic program descriptive information within the LEP application (comment boxes).

If a district has no LEP program, there is no amount on row 18, or the weightings and MSA previously granted covered the costs of the LEP program, the district will not file the excess costs application; the district does not have to do anything with the application. If your district had a carryover from FY13 into FY14, show that additional resource by entering an amount reduced by the FY13 carryover on row 19. Accounting for carryover was a glitch in the application that will be fixed in future years, as will issues with how FTEs are being pulled for rows 20-22 that impact the calculations for rows 25 and 26.

A district can request up to the maximum amount calculated on the application; however, it is not required to make a request—it is entirely a decision of the local school board. Districts were provided a query for estimating the LEP cost using the “create a report” feature in the CAR-COA application (refer to the January 2014 School Business Alert [SBA]). The Department informed districts at that time how they would need to code in the accounting records all of the costs related to LEP in order to make a request to the SBRC for excess LEP costs.

At that time, the Department also thought requesting districts would need to appear for a hearing; however, after discussion with the SBRC, we will instead treat the application in the Ed Portal as the exhibits and handle all the districts with certified applications and board minutes in one class action.

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- ◇ Whole Grade Sharing Supplementary Weighting
- ◇ Apply to be a Green Ribbon School
- ◇ Special Education Estimated Billing—TIB
- ◇ Recent Special Education Questions
- ◇ Data Collections Open to Districts
- ◇ Unspent Budget Authority Balance and Fund Balances When a District Dissolves or Reorganizes
- ◇ Medicaid Training
- ◇ Document Request
- ◇ Business Property Tax Credit and State Replacement for Commercial and Industrial Property Valuation Reduction

The November School Leader Update can be found at:

www.educateiowa.gov

Continued from page 1, LEP

The application is available through the [Ed Portal](#) and is due November 17. As noted in the May 2014 SBA, the SBRC decided requests would no longer be approved if minutes showing board action authorizing the request to the SBRC have not been provided to Department staff. The district may submit the board minutes authorizing the application after the next regular board meeting, so the minutes will be accepted after November 17, if necessary. The minutes can be a PDF document and sent as an email attachment to [Su McCurdy](#).

Also, the Department has found that some districts did not follow the directions given in the SBA for coding of expenditures in the accounting records and the CAR-COA. ***For this year only***, due to this being a new procedure for requesting modified supplemental amount from the SBRC, if a district did not properly code its FY14 LEP expenditures, it can:

- Print a copy of the application from the Ed Portal.
- Write “amended” on the top of the page.
- Write the corrected information on the application form.
- Provide documentation, preferably from the independent auditor, to support the amended cost information.
- Scan the amended application and documentation and send as an email attachment to [Su McCurdy](#).

The amended application must be timely filed on November 17 as they will have to be hand verified.

This is a new application. If you find any bugs in the program that need to be corrected, please contact either [Su McCurdy](#) or [Tom Cooley](#) so they can relay the information to the Department’s information technology staff.

Whole Grade Sharing Supplementary Weighting

For whole grade sharing to qualify for supplementary weighting, each of the districts’ boards involved in the sharing must, by October 1, have passed a resolution to study reorganization with each other. The requirements for the resolution to qualify the districts for supplementary weighting are as follows:

1. The resolution must be a separate action noted in the school board meeting minutes of each board. It may also be included in the whole grade sharing agreement, but passing the whole grade sharing agreement, alone, will not qualify a district for the supplementary weighting
2. The resolution must include these three phrases:
 - a. The board adopts this resolution jointly with the _____ Community School District
 - b. to study the question of undergoing a reorganization (or dissolution, if applicable)
 - c. to occur on or before July 1, 2019 [an earlier date is acceptable]

This specific language is designed to inform the public of exactly what is being explored by the districts; variances from the above language will likely disqualify the districts’ eligibility for supplementary weighting.

Passing the resolution qualifies the districts for the first year of whole grade sharing supplementary weighting. To qualify for the second and third years of supplementary weighting, each district will need to complete the Reorganization Progress Report found on the [Ed Portal](#) by August 1.

Without the required resolution, whole grade sharing is not eligible for supplementary weighting.

Please refer questions to [Joyce Thomsen](#) or 515.242.5612.

Apply to be a Green Ribbon School

The U.S. Department of Education Green Ribbon Schools (ED-GRS) recognition award honors public and private schools, school districts, and Institutions of Higher Education that are exemplary in three areas: 1) reducing environmental impact and costs; 2) improving the health and wellness of schools, students, and staff; and 3) providing environmental education, which teaches many disciplines, and is especially good at effectively incorporating STEM, civic skills, and green career pathways. The award is meant to encourage schools and school districts to consider matters of facilities, health and environment comprehensively. Applicants should be high achieving in all three areas, not just one. Each year, all ED-GRS honorees are invited to Washington, D.C. for a ceremony to celebrate their success, share information, and receive a plaque to commemorate their achievement.

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Special Education Estimated Billing – TIB

The Department will continue to use the predetermined daily rate feature that was implemented last year in the Tuition-In Billing (TIB) program, which allows an additional option in determining the amount billed for first semester. A CAR upload is not required if this option is selected. The goal is to simplify the process and assure that every district is sending/receiving first semester bills. This additional option includes a basic daily rate for special education costs and general purpose percentages. Please see the examples below:

Basic Daily Rate For a Level 1 Student:

Special Education Cost:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures

$[(\$6,121 \times .72) / 180] \times 90 \text{ days} = \$2,203.20$

General Purpose Percentage:

DCPP X Level I GPP Per Pupil % (each district is different) / 180 X 1st Semester Billing Days = GPP

$[(\$6,121 \times .82) / 180] \times 90 \text{ days} = \$2,509.20$

Basic Daily Rate For a Level II Student:

Special Education Costs:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures

$[(\$6,121 \times 1.21) / 180] \times 90 \text{ days} = \$3,703.50$

General Purpose Percentage:

DCPP X Level II GPP Per Pupil % (all districts are the same) / 180 X 1st Semester Billing Days = GPP

$[(\$6,121 \times .32) / 180] \times 90 \text{ days} = \979.20

Basic Daily Rate For a Level III Student:

Special Education Costs:

DCPP X Special Ed Weighting / 180 X 1st Semester Billing Days = Special Ed Expenditures

$[(\$6,121 \times 2.74) / 180] \times 90 \text{ days} = \$8,386.20$

General Purpose Percentage:

DCPP X Level III GPP Per Pupil % (all districts are the same) / 180 X 1st Semester Billing Days = GPP

$[(\$6,121 \times .27) / 180] \times 90 \text{ days} = \826.20

“First semester billing days” means the number of days the student was enrolled and served pursuant to the student’s IEP. The examples above assume the student was present for the full semester, or 90 days. However, some students will be enrolled and served less than the full semester. In those cases, your district would enter the actual days enrolled and served rather than 90 (i.e., $(\$6,121 \times 1.21) / 180 \times 25 \text{ days} = \$1,028.50$). If a student was Level II for part of the semester and then became Level III, the student would be shown once as Level II for the number of days served pursuant to the IEP at Level II, and again shown once as Level III for the number of days served pursuant to the IEP at Level III.

Upon entering the program, make a selection as to which option to use. The first option, “Per Day Estimated Rate,” is the option described above. The second option, “Per Day Actual Costs from Screen 1” is what districts have used in past years. The Department was able to pull in basic pieces of student information (e.g., student name, student ID, and resident district) from districts’ certified enrollment. Although the program allows this to happen, it is imperative to make sure every student’s information has been transferred successfully. The program still allows districts to add/edit student information, if needed. Additionally, districts must include additional information on the student information screen that did not pull from the certified enrollment (e.g., weighting, days enrolled, and individualized costs). The Department will continue to look at ways that will save valuable time in the process. Thank you for everything that you do for your school district and community. Contact [Bill Roederer](#) or 515.281.7972.

Recent Special Education Questions

Question: Can special education weighting funding be used to pay for tuition and licensure for a teacher to complete an endorsement in special education?

Answer: No. In order to be expended from special education funding, the teacher must already be endorsed and providing instructional and related services to identified students pursuant to their IEPs.

Question: Can a district include a depreciation expense on its SES for a bus used exclusively for special education which was purchased from PPEL or SAVE?

Answer: No. Special education weighting is a General Fund revenue and only General Fund qualifying special education expenditures may be included on the SES.

Data Collections Open to Districts

School Association Reporting – Due November 17

The School Association Report available on the [Ed Portal](#) is due November 17, 2014. This report is a requirement of Iowa Code 279.38 and 279.38A. Instructions for the School Association Report are located on the certification review page. For services or revenues received that are not listed, use the blank lines on the screen to add additional information (for associations with multiple pages, these are found on the last page). If additional entries are not needed, click the "No" radio button for each blank line. Remember to "certify" the report after completing services information for each of the associations. The "Association Status" for each association must show as "N/A" or "Complete," and the information for the contact person and certifying official must be completed to receive the *Certify* button. Questions may be addressed to [Gary Schwartz](#) or 515.281.4743.

School Budget Review Committee (SBRC) Application

The SBRC application will be pre-populated from data reported by districts in Student Reporting in Iowa (SRI) records and will be found on the [Ed Portal](#). An A & A account will need to be established in order to access the application. The district cannot complete the SBRC application until it has finished verifying its SRI report; however, the form is available to browse. When the SRI is complete, the district may file its SBRC application, which is due no later than December 1. The district will need to determine the amount it is requesting, if any, note that amount on the application, attach a copy of the minutes from the meeting when the board approved the request/s, and certify the form. The application form includes increased enrollment (257.31(5)"a"), open enrollment out not on the prior year's count (282.18(9)"e"), and costs for providing limited English proficient (LEP) programs beyond the five years of weightings (257.31(5)"j"). Completing the application and requesting an amount is entirely optional to the district. The instructions for the form are provided on the web [here](#). Contact [Joyce Thomsen](#) or 515.242.5612.

School Board Officers Data Collection

This data collection was due November 1; however, the application will remain open to allow updates to be made as needed during the year. In addition to reporting board members and the CFO/SBO, use the drop-down menu to report contact information for the following:

- Building and Grounds
- Transportation Director/Supervisor
- Auditor
- Accounting Software Provider
- Additional Financial Officer 1
- Additional Financial Officer 2

The Department sends financial communications to the CFO/SBO and Additional Financial Officer contacts. Various email distribution lists, such as the one used for business officials, auto-load from the information included on the [ED Portal](#). Keeping this information up-to-date is essential to ensure accurate and timely communication. Questions may be addressed to [Marcia Krieger](#) or 515.281.5293.

Unspent Budget Authority Balance and Fund Balances When a District Dissolves or Reorganizes

The two major balances carried forward into a reorganization are the fund balances and the unspent balance (remaining legal spending authority). If the reorganizing districts keep all territory intact, generally, the beginning balances of the new district will equal the sum of ending balances of the old districts. If territory is set aside for inclusion in contiguous districts, assets and liabilities may be partially divided among districts receiving territory. Districts receiving territory, but not part of the reorganized school district, will report their share of balances as revenues from reorganization settlements. All funds and categorical balances retain the same character in the receiving districts as those funds held in the former district.

In a dissolution, the fund balances are assets which are distributed. All funds and categorical balances retain the same character in the receiving districts as those funds held in the former district. The unspent balance is not an asset or liability, so ceases to exist on the effective date of the dissolution. The following items are not distributed in a dissolution:

- Unspent budget authority balance
- Special education excess positive balances
- Special education negative balances
- Budget adjustment

Contact: [Tom Cooley](#) or 515.725.1120.

Medicaid Training

For those unable to attend earlier sessions, an additional Zoom webinar training will be offered next month. Zoom requires an invitation from the Department to an individual's email address. Please send an email to [Jim Donoghue](#) if you or one of your staff wish to attend the Medicaid training Monday, December 8 — 2:00 to 3:00 p.m.

For additional information, contact [Jim Donoghue](#) or 515.281.8505.

Document Request

Twenty local education agencies (LEAs) and one to two of the area education agencies (AEAs) participating in the Medicaid program could receive requests this winter to provide documentation supporting certain paid claims. Every three years, a sample of a state's Medicaid providers are selected for the Payment Error Rate Measurement (PERM) project. If selected, the LEA or AEA will receive a phone call from the contractor asking who to send the document request to. Jim Donoghue will also contact you and assist with responding to the request. After receiving the request, you will have 75 days to submit the requested documents.

For further information, contact [Jim Donoghue](#) or 515.281.8505.

Business Property Tax Credit and State Replacement for Commercial and Industrial (C & I) Property Valuations Reduction

Districts will soon see the Business Property Tax Credit on tax orders received from the county treasurer. This is a replacement for a credit against taxes owed based on valuation for eligible commercial, industrial, and railroad classed property. Districts will record this tax credit in source 111X. Districts may use header or detail, but not a combination of both. If the district is using the header, Instructional Support Levy (ISL) is coded to source 1110. If the district is using detail, ISL is coded to source 1114.

This credit is different than the State Replacement for Commercial and Industrial (C & I) Property Valuations Reductions that districts received earlier this year. The C & I replacement is state aid to replace the tax which would be due on commercial and industrial property if the property were taxed at the full assessed valuation. If ISL, the district uses this source, but may use 1114 project code to segregate. This payment is not miscellaneous income and does not increase spending authority.

The Department has posted the [Property Taxes – Types and Coding document](#), which is a quick coding guide on the various types of taxes districts see on the property tax orders received from the counties on the web. It is similar to the information provided on page 3 of the October 2014 School Business Alert.

If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Continued from page 2, Apply to be a Green Ribbon School

Three applications for the [Green Ribbon Schools](#) program are available through the [IowaGrants.gov](#) website:

- Individual School: FY15 Iowa Green Ribbon Schools – School Application
- District: FY15 Iowa Green Ribbon Schools – District Sustainability Award Application
- College/University: FY15 Iowa Green Ribbon Schools – College Application

Applications must be submitted through [IowaGrants.gov](#) to the Department by January 7, 2015. The Department will review applications based on the applicant's demonstrated progress towards the goals of each of the three pillars. Nominees demonstrating exemplary achievement in all three pillars and every element will be ranked highest. Instructions for applying are located on the DE website: [Green Ribbon Schools](#). Visit the [ED-GRS website](#) to learn more about the ED-GRS program. For assistance, contact [Gary Schwartz](#), or 515.281.4743.

Upcoming Deadlines	
School Associations Report Due	11-17-14
SBRC Application for Modified Supplemental Amount (MSA) for Increased Enrollment, Open Enrollment Out, and Limited English Proficient instruction to students beyond the five years of weighting, for Districts that want MSA Deadline	12-1-14
First Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due	12-1-14



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities,
Operation, and
Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

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515.281.5812

The October School
Leader Update can be
found at:

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Update – Special Education Costs and Permissive/Nonpermissive Uses of Funds

As you are all well aware, last December, the Iowa Department of Education (DE) released clarifying guidance related to appropriate uses of special education funding. This clarifying guidance attempted to explain what was permissive and nonpermissive related to special education funding, while working to ensure that services to students were properly provided and supported. This is a very complex issue and it was understandable that it was going to take time to digest this information and to make proper adjustments in the ways these funds were used, if necessary.

To that end, the DE worked with the Governor's Office and the Legislature on a timeline for implementation that would acknowledge the complex nature of these conversations. The DE issued an additional memo indicating that monitoring and accountability related to issues identified in the clarifying guidance would be delayed until FY16 (July 1, 2015). We know districts and private providers are working hard to ensure compliance with the law on the timeline provided.

The DE continues to work through this transition year to provide updated guidance, Frequently Asked Questions (FAQs), and samples for school districts and their partners to use as desired. Some of the additional support documents developed since last December include:

- Draft template for a Special Education Consortium Agreement
- Sample Consortium Billing Invoice
- Draft template for a Special Education Contracted Services Agreement
- Sample Contracted Services Billing Invoice
- Updated and comprehensive FAQ on Permissive and Nonpermissive Uses of Special Education Funds

All of the above materials, as well as the original guidance from December 2014, can be found [here](#).

DE staff members are also willing to join you for conversations about how to make all of this work within the existing law, rules, and supporting guidance. We know many of you are in the process of making adjustments this year in preparation for being fully compliant by next July 1, 2015. Thank you for your continued efforts and if there are additional questions or concerns, please don't hesitate to contact [Jeff Berger](#) or 515.281.3968.

Additionally, the DE put out a survey last month asking districts to identify every program serving resident students in any way. This survey was our attempt to develop a comprehensive list of programming delivered by districts to resident students. As stated in the memo about this survey, we are only trying to update our information to ensure that we've not missed any scenarios. If you haven't completed the survey, please do so and return it to [Tom Cooley](#) as stated in the memo. Please include

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- ◇ Update—Special Education Costs and Permissive/Nonpermissive Uses of Funds
- ◇ STEM Scale-Up Programs Grants for 2014-2015
- ◇ Green Ribbon School Applications Available
- ◇ Property Taxes—Gas and Electric and Utility Taxes and Instructional Support Levy
- ◇ Did your LEA End the Year with a Special Education Deficit? Are you Currently Billing or Wanting to Learn More About Billable IEP Services
- ◇ Parent Consent to Bill
- ◇ Medicaid Training
- ◇ Data Collections Open to Districts
- ◇ Finance Roundtable to Meet
- ◇ Statewide Sales and Services Tax and Audit
- ◇ Special Milk Program
- ◇ School Budget Review Committee Hearings Held on October 7

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everything: this includes accredited nonpublic schools, facilities, contracted service providers, etc. – really any entity serving any students residing in your district beyond direct district instructional programming. Thanks to all of you who have already completed and returned the survey.

Science, Technology, Engineering, and Math (STEM) Scale-Up Program Grants for 2014-2015

Numerous districts have been awarded one or more STEM grants that may have been referred to by other names, and the award notification may have gone to a teacher rather than the central office. There are ten different STEM programs for FY15, including some new programs. These include:

- A World in Motion (AWIM);
- The CASE for Agricultural STEM Education in Iowa (CASE)
- Defined STEM
- Engineering in Elementary (EIE)
- FIRST Tech Challenge (FTC)
- HyperStream – Technology Hub for Iowa’s Students (Hyperstream)
- Renewable Energy STEM (KidWind)
- SCI Pint Size Science (SCI)
- Project Lead the Way: Engineering
- Project Lead the Way: Gateway to Technology Program

There are also six regional STEM Hubs for these grants, which are either community colleges or universities. A news release about these grants indicated that more than 800 schools and community groups from across Iowa will offer new programs aimed at boosting access to and interest in science, technology, engineering, and math education. Click [here](#) for a list of the 2014-15 STEM Scale-Up Program Recipients.

Continued on page 5

Green Ribbon School Applications Available

The aim of U.S. Department of Education Green Ribbon Schools (ED-GRS) is to inspire public and nonpublic schools, districts, and Institutions of Higher Education (IHEs) to strive for 21st century excellence, by highlighting exemplary practices and resources that all can employ. The ED-GRS award recognizes schools, districts, and IHEs that:

1. Reduce environmental impact and costs;
2. Improve the health and wellness of schools, students, and staff; and
3. Provide environmental education, which teaches many disciplines, and is especially good at effectively incorporating STEM, civic skills, and green career pathways.

Encouraging resource efficient schools, districts, and IHEs allow administrators to dedicate more resources to instruction rather than operational costs. Healthy schools and wellness practices ensure that all students learn in an environment conducive to achieving their full potential, free of the health disparities that can aggravate achievement gaps. Sustainability education helps all students engage in hands-on learning, hone critical thinking skills, learn many disciplines and develop a solid foundation in STEM subjects. It motivates postsecondary students in many disciplines, and especially those underserved in STEM subjects, to persist and graduate with sought after degrees and robust civic skills.

Three applications for the [Green Ribbon Schools](#) program are available through the [IowaGrants.gov](#) website:

- **Individual School:** FY15 Iowa Green Ribbon Schools – School Application
- **District:** FY15 Iowa Green Ribbon Schools – District Sustainability Award Application
- **College/University:** FY15 Iowa Green Ribbon Schools – College Application

Applications must be submitted through IowaGrants.gov to the DE by January 7, 2015. DE will review applications based on the applicant’s demonstrated progress towards the goals of each of the three pillars. Nominees demonstrating exemplary achievement in all three pillars and every element will be ranked highest.

Instructions for applying are located on the DE website: [Green Ribbon Schools](#). Visit the [ED-GRS website](#) to learn about the GRS program. For assistance, contact [Gary Schwartz](#) or 515.281.4743.

Property Taxes – Gas and Electric and Utility Taxes and Instructional Support Levy

Each year, the DE receives numerous questions on how to code the various taxes and tax credits received from the county. New for FY15 is the State Replacement for Commercial & Industrial (C & I) property valuation reduction, which will be coded to source 3803. All districts may not receive taxes from all of these categories, and all counties may not segregate taxes the same way. Following are some of the categories:

Type of Tax	Source	Comments
Real Estate	111X	May use header or detail, but not a combination of both. If the district is using the header, Instructional Support Levy (ISL) is coded to source 1110. If the district is using detail, ISL is coded to source 1114.
Gas and Electric or Utility Replacement or Excise Tax	1171	If ISL, the district uses this source, but may use 1114 project code to segregate.
Utility (not gas and electric)	111X	Some counties have split utilities into two categories. This is tax related to per mile of phone cable. If the county doesn't also have the previous category, check with the county to see if this is gas and electric or other utilities.
Grain Handled Taxes	111X	This credit occurs if there is a grain elevator in the district that has paid their real estate taxes.
Agricultural Land or Ag Land Credit	111X	This credit was established to partially offset the school tax burden borne by agricultural real estate. Current law allows a credit for any general school fund tax in excess of \$5.40 per \$1,000 of assessed value.
Homestead Credit	111X	Originally adopted to encourage home ownership through property tax relief. The current credit is equal to the actual tax levy on the first \$4,850 of actual value.
Iowa Disabled and Senior Citizens Property Tax Credit	111X	Incorporated into the Homestead Tax Law to provide property tax or rent relief to elderly homeowners and homeowners with disabilities.
Family Farm Credit	111X	Credit established to partially offset the school tax burden borne by agricultural real estate. Current law allows a credit for any general school fund tax in excess of \$5.40 per \$1,000 of assessed value.
Mobile Home Taxes	1191	If ISL, the district uses this source, but may use 1114 project code to segregate.
Military Credit	3801	Credit to replace the tax which would be due on property eligible for military service tax exemption, if the property were subject to taxation, up to \$6.92 per thousand of assessed value.
State Replacement for Commercial and Industrial (C & I) property valuation reduction (effective FY15)	3803	State aid to replace the tax which would be due on commercial and industrial property if the property were taxed at the full assessed valuation. If ISL, the district uses this source, but may use 1114 project code to segregate.
Federal	481X	Contact the county to see which Federal funds were received.

Commercial and Industrial State Replacement Adjustment, SF 295, adopted during the 2013 legislative session, provides for wide-ranging property tax reform. Among other changes, the bill includes a new rollback on C & I property valuations. A rollback is the percent of a property value that is subject to tax. The C & I rollback is 95 percent in FY15 and 90 percent in FY16 and beyond. The state is reimbursing local governments, including school districts, for the loss of property taxes due to this new C & I valuation rollback. Sections 6 and 13 of the Aid and Levy Worksheet calculate an adjustment to the uniform and additional levies so that districts do not collect both the state replacement amounts and the same amounts in state aid and property taxes through the school foundation aid formula. This payment is not miscellaneous income and does not increase spending authority.

Instructional Support Levy Taxes are general fund only. If the county reported them in another fund, discuss this with the county. If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Did Your Local Education Agency (LEA) End the Year with a Special Education Deficit? Are You Currently Billing or Wanting To Learn More About Billable Individualized Education Program (IEP) Services?

If yours is an LEA that is not currently billing for eligible Medicaid services, please reconsider. Of the 104 LEAs who received no Medicaid payments in 2013-2014, 84 reported a special education deficit on their SES. For those 84 districts, Medicaid funding would have reduced, dollar-for-dollar, the need for additional property taxes to support the special education program.

The DE will assist your LEA to start, restart, or consider participating by:

- 1) reviewing a sample of IEPs for billable services;
- 2) offering an estimate of likely reimbursement;
- 3) providing staff education; and
- 4) explaining the availability of free billing software.

Provider enrollment or re-enrollment is a simple process.

If LEA staff wish to learn more about reading IEPs, select the names of some of your students who have IEPs, then contact the DE for a meeting. Together, you and DE staff will review the selected IEPs for covered services. This will help you learn to read IEPs, identify billable services, and identify the necessary accompanying documents, such as an Individualized Health Plan or Behavior Intervention Plan.

Contact [Jim Donoghue](#) or 515.281.8505.

Parent Consent to Bill

The Parent Consent form to allow an LEA or an area education agency (AEA) to bill Medicaid for health services on an IEP has been changed slightly. The change resulted because for many students, consent forms had not been signed for AEA services that were ordered in the IEP. If the district or AEA has a signed consent that covers all billable services, a new consent form is not needed. The new language is "My consent starts on the date of my signature, may include billing for services already provided through my child's current IEP, and for services that were in the IEP in place at the time of the services provided on or after _____ (which may be up to 365 days prior to today), and is good as long as my child is eligible for special education." The change has been implemented in the web-based IEP and can be seen here: [Medicaid Parent Consent](#).

For further information, contact [Jim Donoghue](#) or 515.281.8505.

Medicaid Training

This year registration is needed for Medicaid trainings. The DE switched to the Zoom video conferencing platform, which requires an invitation from the DE to an individual's email address. Please send an email to [Jim Donoghue](#) with the selected date(s) and time(s) if you or one of your staff wish to attend the Medicaid trainings.

Dates and times

Monday, October 20—9:00 to 10:00 a.m.
Thursday, October 23—11:00 a.m. to 12:00 p.m.
Friday, October 24—3:00 to 4:00 p.m.
Monday, October 27—3:00 to 4:00 p.m.
Thursday, October 30—9:00 to 10:00 a.m.
Friday, October 31—3:00 to 4:00 p.m.
Monday, November 3—9:00 to 10:00 a.m.
Tuesday, November 4—2:00 to 3:00 p.m.

For additional information, contact [Jim Donoghue](#) or 515.281.8505.

Continued from page 1, Science, Technology, Engineering, and Math (STEM) Scale-Up Program Grants

Since the list has many schools rather than districts, look to see if the district may have received grants of which it was not aware. Many districts received multiple grants. Although the award email may have come through various sources (the regional hub or program contact) for the Governor's Advisory Council STEM projects, all of these STEM program grants will use project 3751, Governor's Advisory Council STEM Scale-Up Programs (IC 268.7). The \$5.2 million state appropriation was to UNI; however, actual reimbursement may come from another source, so the source may or may not be the same. All STEM grants are recorded in the general fund. If this grant works like the previous grants, it is possible that some of these may have a second grant that districts can apply for, which was part of the public-private partnership to help the state-appropriated dollars go further. If this supplemental grant is from a private source, the supplemental grant will be contributions and donations from private sources (192X). Also, if there are any items that will be paid on behalf of the district from the district's grant award, these should also be recorded as revenues and expenditures, even though the district didn't receive them directly.

If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Data Collections Open to DistrictsChart of Accounts Uploads

The Bureau of Finance, Facilities, Operation, and Transportation Services recommends that districts upload their full Chart of Accounts (COA) into the CAR-2014 COA Test Records each month and resolve Stages 1 and 2 edits. Even though the application has not been updated for the 2015 business rules, there are normally very few changes from year to year. Districts can take this opportunity to identify negative accounts and incorrect coding by reviewing Stage 1 on a regular basis and not letting it accumulate to the end of the fiscal year.

Contact: [Denise Ragias](#) or 515.281.4741.

School Level Expenditures for Civil Rights Reporting

All districts are responsible for completing a Civil Rights Data Collection that comes directly from the federal government. The DE's School Level Expenditure data collection is provided for the benefit of the school districts to assist in their direct reporting of the Civil Rights data to the federal government, and is not certified to the DE. Districts are highly encouraged to complete the DE's collection to ensure data reported to the federal government matches the data reported on the 2014 CAR, which is also reported to the federal government. Instructions for using the School Level Expenditure data collection can be found on the [Certified Annual Financial Reports](#) webpage.

Questions? [Denise Ragias](#) 515.281.4741.

School Association Reporting – Due November 17

Iowa Code 279.38 and 279.38A require boards of school corporations that pay membership dues to the Iowa Association of School Boards or other organizations which directly relate to the functions of the board of directors, to report annually to the local community and the DE. The board must report the amount paid in annual dues to the organization, any fees paid and revenue or dividend payments received for services the board receives from the organization, and the products or services the school district received inclusive with the membership in the organization. The data collection is currently available on [EdPortal](#). Instructions are located on the certification page of the report and posted on the [School Association Reporting](#) web page.

Questions may be addressed to [Gary Schwartz](#) 515.281.4743.

School Board Officers Report – Due November 1

If you have not already done so, be sure to enter your new board officers and any changes in financial leadership in your district or AEA as soon as those changes are known, and before November 1. The data collection is currently available on [EdPortal](#).

Questions may be addressed to [Marcia Krieger](#) 515.281.5293.

Finance Roundtable to Meet

The DE will convene the Finance Roundtable on the morning of October 22, 2014. The Finance Roundtable is a group focused on addressing issues related to school finance and funding. The primary focus of this group is to ensure good flow of information while creating a forum for addressing any issues that exist. Representation on this group is by invitation, but major stakeholder groups, as well as various school district representatives, participate in these meetings. Last year, the Finance Roundtable and the CAR-SES focus group decided to merge into one Finance Roundtable. So the former members of the CAR-SES have been added to the Finance Roundtable membership list on the web and the invitation. We look forward to seeing everyone later this month.

For additional information, contact [Jeff Berger](#), 515.281.3968.

Statewide Sales and Services Tax and Audit

Since Secure an Advanced Vision for Education Statewide Sales and Services Tax was changed to source 3361, the DE has received questions on whether this should be reported as state or local revenue in the district's audit report. Since the State Auditor's Office wasn't notified of the change, it was still reflected as local revenue in the FY14 Sample Community School District report. The Auditor's Office indicated the district's audit report should reflect the revenue in accordance with the chart of accounts as state sources. Since the sample report is already out for FY14, the change will be made in the FY15 sample.

For additional information, contact [Janice Evans](#) or 515.281.4740.

Special Milk Program

While reviewing CAR data we have found that districts need some clarification related to the Special Milk Program (Source/Project 1613). This is not to be used for regular milk sales. It is a program that allows students that have no access to milk programs in their school day, such as half-day kindergartners, to have milk. This is an application-based program. Districts are reimbursed 23 cents for a "paid" (not free or reduced) student, but should be charging students the amount that is not covered. It is not to be a profit-maker but simply to be passed on at the district's cost. The federal reimbursement for this program is coded to [Source/Project 4555](#). The portion paid by parents is coded to [Source/Project 1613](#). Regular milk sales for students and adults, not included in the price of a school lunch or breakfast, should be coded to [Source/Project 1621](#) a la carte sales and additional milk or snacks for students.

For additional information, contact [Denise Ragias](#) or 515.281.4741.

School Budget Review Committee (SBRC) Hearings Held on October 7

The [summary](#) of official action by the SBRC is posted on the web following the meetings. At the October hearings, the SBRC took action on the late filing school districts requiring them to prepare corrective action plans for the December SBRC hearings and other individual district requests and followed up on activities from the summer work session.

Contact: [Su McCurdy](#), 515.281.4738.

Upcoming Deadlines	
Last Date to Notify the SBRC if District Incurred Negative Unspent Balance	10-15-14
School Board Officers Report Due	11-1-14
School Associations Report Due	11-17-14
SBRC Application for Modified Supplemental Amount for Increased Enrollment, Open Enrollment Out, and Limited English Proficient Excess Costs, for Districts that want MAG	12-1-14
First Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due	12-1-14



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4733

Joyce Thomsen, Consultant
joyce.thomsen@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

The December School Leader Update can be found at:

www.educateiowa.gov

December 2014 Income Surtax Payments

Message from the Department of Management

The December 2014 income surtax payment represents three-quarters of the amount of income surtaxes collected for your district from January 1, 2014, through October 20, 2014. The rest of the payment, plus or minus any adjustments made by the Iowa Department of Revenue due to their audits of income tax returns, will be paid around February 1, 2015.

This payment is based upon the income surtax rates established for your **2013-2014 budget**. If you didn't have a surtax for the Physical Plant and Equipment Levy (PEEL) Fund, the entire payment should be credited to your General Fund. On the other hand, if you had both General Fund and PEEL surtax, then split the income surtax in accordance with the rates. The PEEL income surtax rate can be found on line 19.4. The General Fund income surtax rates can be found on lines 10.15 and 11.4.

Questions can be directed to [Lisa Oakley](#), Department of Management or 515.281.8485.

The Department of Education (DE) has posted the payment amount, rates for each fund and dollar amount for each fund on the [State Payment Information FY15](#) webpage.

Title IIA Funds Returned from an Area Education Agency (AEA)

At the IASBO regional webinar, districts asked how Title IIA funds returned from the AEA should be recorded. We are working with Isbelia Arzola at the Department to see whether these funds can be used for anything other than nonpublic professional development (PD) and how they should be reported on FY15 submitted claims. An update will be provided in a future School Business Alert.

Assuming there were no qualifying expenditures in FY14, this is a FY15 revenue and expenditure. Since this was previously reported as an expenditure when paid to the AEA, the districts will use source 1989, Other Refunds of Prior Year's Expenditures, Project 4643, and Program 5xx, nonpublic school program for the reimbursement and will code the nonpublic professional development (PD) expenditures when incurred to project 4643, program 5xx. These funds must be used by the end of FY15.

If the district happened to have qualifying expenditures in FY14 for nonpublic PD not coded as Title IIA, which we think is unlikely, that portion of the reimbursement and expenditure should have been recognized in FY14 rather than FY15. The district would have debited an intergovernmental receivable (account 141). However, the credit depended on when the original payment was made to the AEA (use the oldest funds first) and would have been to the expenditure account if in the same year, or source 1989 if from a prior year. Since the AEA may be reimbursing funds from more than one year, if the AEA didn't provide the split by year, look at the related Title IIA nonpublic PD FY14 payments to the AEA to see the maximum amount related to FY14. Any reimbursement over that amount would be from a prior year.

If you have further questions, contact [Janice Evans](#) or 515.281.4740.

Inside This Issue

- ◇ December 2014 Income Surtax Payments
- ◇ Title IIA Funds Returned from an AEA
- ◇ State Payment Tracking and Payments Not on DE Tracking
- ◇ Green Ribbon Schools Application
- ◇ Nonpublic Certified Enrollment and Textbook Services
- ◇ Document Request
- ◇ Medicaid Training
- ◇ Juvenile Home Budget
- ◇ Coding Corner
- ◇ Special Education Individualized Costs
- ◇ SBRC Hearings—**DATE CHANGE**

State Payment Tracking and Payments Not on DE Tracking

Districts will find on [Ed Portal](#), (EdInfo, Finance Applications, Payment to DE Subrecipients) or on the auto-generated emails, a list of payments that originated from the Department of Education. Payments may come from other departments as well. If the payment in question is not on the DE's page, it likely came from a different government agency.

One regular "other" source is the Department of Revenue. On the Department of Revenue's [website](#), district payment information can be found under "Local Government," then click on Warrant History.

Contact [Joel Gabrielson](#) with questions or 515.281.6106.

For all state payments, you may visit the [link](#) to DAS Vendor Payment Portal. You will also find this link at the bottom of the State Payment Schedule webpage of the DE website.

Green Ribbon Schools Applications Due January 7

A reminder that the Green Ribbon Schools (GRS) applications for individual schools, districts, and colleges/universities are due Wednesday, January 7, 2015. This is a recognition award through the U.S. Department of Education for schools that are committed to environmental stewardship, student and staff health, and sustainability education. Detailed information for applying is referenced in the October and November School Business Alerts. Applications must be submitted through [IowaGrants.gov](#). The [Iowa Department of Education](#) will review applications for determining nominations to the U.S. Department of Education. Contact [Gary Schwartz](#) for assistance or call 515.281.4743.

Nonpublic Certified Enrollment and Textbook Services

In previous years, districts had the opportunity to view the resident nonpublic student count within the Certified Supplementary Weighting data collection. With the change in reporting supplementary weighting information within Student Reporting in Iowa (SRI), the resident nonpublic student count is now available on this [spreadsheet](#).

The link also includes spreadsheets showing the nonpublic student count by nonpublic school and by area education agency. A link can be found at the bottom of the page for the textbook services. Textbook services payments went to districts in early December. For more information, contact [Carla Schimelfenig](#) or 515.281.3111.

Document Request

Iowa Medicaid's PERM project for federal fiscal year 2014 began December 8. Your local education agency (LEA) or AEA may receive a request for documentation supporting a paid Medicaid claim. If selected, your LEA or AEA will receive a phone call from the contractor asking who should be faxed the document request. If your agency is selected, Jim Donoghue will be advised and he will write and call to help you. After receiving the request, you will have 75 days to submit the requested documents.

For further information, contact [Jim Donoghue](#) or 515.281.8505.

Medicaid Training

For those unable to attend earlier sessions, an additional Zoom webinar training will be offered next month. Zoom requires an invitation from the DE to an individual's email address. Please send an email to [Jim Donoghue](#) if you or one of your staff wish to attend the Medicaid training on Thursday, January 8 — 9:00 to 10:00 a.m.

For further information, contact [Jim Donoghue](#) or 515.281.8505.

Juvenile Home Budget

The juvenile home non-fiscal budget data collection for AEAs is now available. The due date is January 1. Instructions can be found at this [link](#).

Questions may be directed to [Denise Ragias](#) or 515.281.4741.

Coding Corner

As mentioned in the July 2014 SBA, effective for FY15 reporting, specific codes will be used to assign individualized costs in special education. This will allow individualized costs to flow into the Tuition-In Billing (TIB) and Special Education Supplement (SES) programs without manual adjustment by the district. There is an individualized cost program code assigned for every level. Level I is Program 2x2, Level II is Program 2x5, and Level III is Program 2x8. Please refer to the new program codes below.

200 Special Programs

210 Special Education Programs, School Age, served pursuant to an IEP (Must have a project code)

211 Level I

212 Level I Individualized Costs (effective FY15 reporting) (Jun14)

214 Level II

215 Level II Individualized Costs (effective FY15 reporting) (Jun14)

217 Level III

218 Level III Individualized costs (effective FY15 reporting) (Jun14)

219 Unallocated

220 Infants & Toddlers (Early Access/Part C), birth to age 3, served pursuant to an IFSP

(Must have a project code) (AEAs and Des Moines only)

224 Level II

225 Level II Individualized Costs (effective FY15 reporting) (Jun14)

227 Level III

228 Level III Individualized costs (effective FY15 reporting) (Jun14)

229 Unallocated

230 Early Childhood (Part B), ages 3-5, served pursuant to an IEP (Must have a project code)

234 Level II

235 Level II Individualized Costs (effective FY15 reporting) (Jun14)

237 Level III

238 Level III Individualized costs (effective FY15 reporting) (Jun14)

239 Unallocated

240 Hospital/Homebound (Must have a project code)

241 Level I

242 Level I Individualized Costs (effective FY15 reporting) (Jun14)

244 Level II

245 Level II Individualized Costs (effective FY15 reporting) (Jun14)

247 Level III

248 Level III Individualized costs (effective FY15 reporting) (Jun14)

249 Unallocated

Special Education Individualized Costs

Districts have asked what individualized costs are. Individualized costs are defined as “costs incurred by the LEA for services provided to a single student. Examples include one-on-one paraprofessionals, equipment or supplies purchased for a single student, and specialized textbook for a specific student,” and would use program 2X2, 2X5, and 2X8, depending on the level of the student. Other permissive special education (SPED) costs that aren't for an individual student would continue to use program 2X1, 2X4, and 2X7, depending on the level of the students served.

For example, if a para is serving in a Level II school-age classroom, but not assigned as a one-on-one para for an individual student, this would be coded to program 214 rather than program 215. If the para is a one-on-one para for an individual student, it would be coded to program 215 for the time spent as a one-on-one para. If a para is serving in a SPED classroom to work with multiple levels of SPED students, but not one-on-one, the district will either allocate these costs to the various levels or use the allocation tool within TIB. The expenditure would ultimately be reported in program 211, 214, or 217. Contact [Bill Roederer](#) or 515.281.7972.

SBRC Hearings

Due to a conflict, the SBRC hearings originally scheduled for December 16, 2014, have been rescheduled for January 21, 2015.

Upcoming Deadlines

Juvenile Home Budget	1-1-15
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School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES**Finance, Facilities, Operation, and Transportation Services****Jeff Berger**

COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief

tom.cooley@iowa.gov
515.725.1120

Su McCurdy

Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant

jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant

janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant

denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant

bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant

gary.schwartz@iowa.gov
515.281.4743

Max Christensen, Executive Officer

1 (Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector

joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector

tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector

verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk

maryjo.clark@iowa.gov
515.281.5812

Special Education Program Funding – Symposium Update: Permissive and Nonpermissive Uses of Funds Guidance

On December 16-17, 2014, the Iowa Department of Education (Department) and the Iowa Department of Human Services cohosted a first-ever Leadership Symposium addressing the topics of general and special education in state-operated facilities, day programs, and residential facilities. The symposium was well-attended and was primarily directed at state and private facilities serving school-aged students, the school districts containing those facilities, and the area education agencies (AEAs) that provide support for those programs. The effort was an attempt to create a common baseline understanding of the expectations, both programmatic and fiscal, for all stakeholders involved in providing proper and adequate supports (including Free and Appropriate Public Education and Least Restrictive Environment) for students served by these facility programs.

As a part of the second day of the symposium, Jeff Berger delivered a plenary session related to special and general education finance as it relates to the topic of permissive and nonpermissive uses of funds. Parts of this presentation will look familiar to you, but the content added to this particular presentation gets to specific legal requirements that support the position the agency has taken over the last year and a half on this issue. The PowerPoint presented can be found on the [web page](#) for Special Education Finance. Additionally, please be reminded that the Department continues to expand the resources available on this topic. In the last year, we've added a comprehensive and updated FAQ on permissive and nonpermissive uses of special education funds, as well as draft consortium and contract agreements, and sample consortium and contracted services billing invoices.

Continued on page 2

2015 Legislative Session Begins

The 2015 legislative session began Monday, January 12, 2015. There are various resources available to help you access information related to any action taken or progress made by the Legislature:

[Department of Education's Legislation Tracking Tool](#)

[Department of Education's Legislative Information page \(including legislative reports\)](#)

[Iowa Legislature Web Site](#)

[Iowa Code](#)

[Iowa Administrative Code \(also called Iowa Administrative Rules\)](#)

[School Leader Updates](#)

[Condition of Education Report](#)

Shan Seivert is the policy liaison representing education issues for the Department. For further information on legislative issues, contact [Shan Seivert](#) or 515.281.3399.

Inside This Issue

- ◇ Special Education Program Funding—Symposium Update: Permissive and Nonpermissive Uses of Funds Guidance
- ◇ 2015 Legislative Session Begins
- ◇ Open Enrollment Transportation Reimbursement
- ◇ Explanation of January 2015 Juvenile Home Deduction from State Payments to School Districts
- ◇ Medicaid
- ◇ Coding Corner
- ◇ MV-1 Approval Notice
- ◇ Accessing FY14 Financial Information
- ◇ Tuition-In Billing
- ◇ Education Program Consultant Vacancy

The January School Leader Update can be found at:

www.educateiowa.gov

Continued from page 1

All of this is our attempt to help ensure that you have a good working knowledge of your obligations for this programming and what compliance with the law dictates. The memo that went to the field last March that delayed monitoring and compliance adjustments was a public acknowledgment of how difficult this work is and was buying you time to make appropriate adjustments in your programming moving forward. The Department is expecting compliance with the law both programmatically and fiscally; in fact, many of you have been complying with program and fiscal requirements for years. Because all of these situations are highly contextual, we are happy to join you in whatever way is appropriate to help you sort out the details of your program delivery locally. Department staff have been included in many conversations to date and feel very strongly that we are making good progress toward positive programmatic adjustments statewide.

One issue should be clarified from the presentation—the topic of rent. The FAQ addresses that issue, but Jeff's statement in the presentation said that rent would be permissive in certain situations where the district and facility are collaborating on the delivery of programming to students in those facilities. Some people assumed that by saying rent was permissive, Jeff was saying that it would be permissive as a special education cost. It is not. Rent is permissive in certain scenarios, but would always be paid from PPEL or SAVE funds. If you believe this situation pertains to your local conversations and want to discuss this further, please contact [Jeff Berger](#) or 515.281.3968.

Open Enrollment Transportation Reimbursement

Transportation reimbursement for the 2014-2015 school year for open-enrolled families that qualify according to income guidelines is \$495. Transportation assistance is only available to families that open enroll between contiguous districts. The cost of transportation reimbursement incurred by the resident district should be deducted from the tuition sent to the receiving district for a student that is open enrolled. If the application for transportation assistance is filed after the beginning of the school year, the cost of providing the transportation should be pro-rated.

If a parent/guardian qualifies for school transportation assistance, the resident district has the authority to determine how the transportation assistance will be provided. The type of transportation assistance is not a parent/guardian choice. The resident district may meet its statutory obligation in one of three ways:

1. The resident district may provide transportation for the pupil(s) to a stop on the bus line of the receiving district.
2. The resident district may allow the receiving district to enter the resident district to pick up the pupil(s) if the receiving district requests this arrangement. If either the sending or receiving district does not approve the arrangement, the resident district is still obligated to provide transportation assistance.
3. The resident district may provide a parent/guardian with a cash reimbursement at \$495 per child, per year for up to four children per family. The maximum number of children can include only one secondary child and up to three elementary children.

Income guidelines can be found in the [Open Enrollment Handbook](#).

For additional information, contact [Eric Heitz](#) or 515.281.4726.

Explanation of January 2015 Juvenile Home Deduction from State Payments to School Districts

A deduction is being made in the January State Aid payment for the cost of certain programs that are paid "off the top of state aid." This deduction, which occurs every year, is for the cost of educational programs for children in the state training school, the Iowa Juvenile Home, mental health institutes, other licensed juvenile and foster care facilities or special education costs for foster care children with no resident district and some district court-placed children. As required by Iowa Code, the cost of these programs is distributed to all school districts based on each district's budget enrollment (line 1.1 of the Aid and Levy Worksheet). The deduction starts in January and will continue through the rest of the year. These deductions reduce cash flow, but have no impact on your general fund spending authority. The breakdown of monthly payments can be found on the Department's website "[State Payment Information FY15](#)."

Questions regarding this deduction can be directed to [Lisa Oakley](#), Department of Management or 515.281.8485.

MedicaidReminder to Double-Check Billing of Dates of Service During Late December 2014 and Early January 2015

With the holiday break and recent closings for weather, it is important to double check that dates of service being billed were definitely dates when school was in session. If you are billing for services provided by another district who is serving your student, be careful to check the school calendar of the other district.

Private Duty Nurses

If your district participates in Medicaid, paid for any private duty nurses during the 2013-2014 year, and you have yet to report that information, please contact the Department with the hours and dollars paid for private duty nurses.

Rate Setting for 2015-2016

Some districts have been contacted to clarify employee cost information on Screen 6, section 6D of the 2013-2014 Special Education Supplement. These employee costs are the basis for Iowa Medicaid Enterprise setting 2015-2016 rates.

Document Request

Sixteen districts have been contacted to submit documentation supporting a specific claim. Thanks to all of you who have provided the Department a chance to review the materials your district was planning to submit. This Payment Error Rate Measurement program occurs every three years.

Consider a 2015 New Year's Resolution to Start Billing

Sixty-five of the 108 LEAs that did not bill Medicaid in FY14 ended FY14 with a special education deficit. Is your district one of the 108 LEAs that did not bill Medicaid? In a district that would have had a special education deficit, Medicaid funding reduces dollar-for-dollar the need for additional property taxes to support the special education program. In a district that would have had a special education positive balance, that positive balance is increased. If the positive balance increases to an amount in excess of the allowable carryover, the excess state funding over the allowable carryover is distributed to other districts in the state that had special education deficits, and the excess property taxes are returned to the taxpayers in the district.

For questions, contact [Jim Donoghue](#) or 515.281.8505.

Coding CornerCoding of Equipment in Governmental Funds – Expenditure, Object 73x

Per the Uniform Financial Accounting Manual (Appendix E), an equipment item is any instrument, machine, apparatus, or set of articles that meets all of the following criteria and has an original individual cost of at least \$500:

- It retains its original shape, appearance, and character with use.
- It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.
- It is nonexpendable; that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit.
- Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for at least one year.

This accounting of equipment as an equipment (object 73X) expenditure (any valued at \$500 or more) for purposes of the Certified Annual Report (CAR) and Uniform Financial Accounting should not be confused with capitalization thresholds established for the financial statements of the government-wide entity used for GASB 34 Statement reporting. Governmental funds do not have capital assets recorded on the fund balance sheets as they are expended at the time of purchase. Capital assets for governmental funds are valued at original cost and reported in Fund 08 for use in the government-wide entity financial statements.

Per the Uniform Financial Accounting Manual, p.50, local governmental entities should review applicable state and federal requirements related to asset capitalization in determining appropriate policies. For example, the federal government uses a dollar threshold of \$5,000 for federal grant management purposes. This threshold may have an impact on an entity's policies (used for entity-wide statements), particularly as it relates to capital assets that are acquired with federal grant funds. A threshold should only apply if the item has a useful life of one year or more. It is highly recommended, however, that a threshold for capitalization should not be less than \$500.

For questions or additional clarification, contact: [Janice Evans](#) or 515.281.4740 or [Denise Ragias](#) or 515.281.4741.

MV-1 Approval Notice

Per authority of Iowa Administrative Code Chapter 281-44, "Minimum Standards for Construction of School Transportation Equipment," the Department has approved for use by Iowa schools and school districts, the MV-1 accessibility vehicle built by Mobility Ventures LLC and assembled by AM General LLC. This approval includes the following criteria and guidance:

Emergency Equipment (required):

1. School bus sign. The vehicle, while transporting students to and from home/school, shall display a sign, visible to the rear, with the words "SCHOOL BUS." The sign shall be national school bus glossy yellow with black letters six inches high. The sign shall be a type that can be removed, dismantled, or covered when the vehicle is not transporting pupils to and from school.
2. First-aid kit. The vehicle shall carry a minimum ten-unit first-aid kit.
3. Fire extinguisher. The vehicle shall carry a dry chemical fire extinguisher of at least 2½-pound capacity with a rating of 2A-10BC. The extinguisher shall be equipped with a calibrated or marked gauge. Plastic discharge heads and related parts are not acceptable.
4. Webbing cutter. Each vehicle shall be equipped with a durable webbing cutter having a full-width handgrip and a protected, replaceable, or noncorrodible blade. This device shall be mounted in a location accessible to the seated driver in an easily detachable manner.
5. Body fluid cleanup kit. Each vehicle shall be equipped with a body fluid cleanup kit.
6. Backup alarm beeper. Each vehicle shall be equipped with a backup alarm beeper capable of a minimum of 112 db.
7. Two International Symbol of Accessibility (ISA) handicap decals must be located on the vehicle – one on the back of the vehicle visible to the rear and one on the loading ramp door. Decals shall be "white on blue" in color and shall not exceed 6 X 6 inches in size and may be reflectorized.

Other Equipment (optional):

1. Additional signage. A sign with the words "THIS VEHICLE STOPS AT ALL RAILROAD CROSSINGS," visible to the rear, may be used where appropriate and not in conflict with current statutes. If used, the words shall be black letters on a yellow background. The sign shall be of a type that can be dismantled, turned down, or covered when the vehicle is not transporting pupils to and from school.
2. Special brake lamps. The vehicle may be equipped with two roof-mounted lights not greater than four inches in diameter and positioned horizontally on the roof at least 36 inches apart. The lights shall be connected to the brake lamp circuit of the vehicle's electrical system and shall operate only when the brakes are applied. When lit, the lamps shall be red and shall be visible only to the rear.

Additional Requirements:

1. The vehicle shall not carry more passengers than there are seat belts as installed by the manufacturer, nor shall it transport more than one wheelchair-bound passenger. No passenger shall be seated directly behind the wheelchair-bound passenger.
2. The vehicle shall not be painted the color known as national school bus glossy yellow.
3. The vehicle shall not be equipped with a stop arm or flashing warning signal lamps.
4. This vehicle must load and unload students off the traveled portion of the roadway.

Wheelchair Securement Requirements:

1. The wheelchair station shall be equipped with a lap and torso restraint system that meets applicable Federal Motor Vehicle Safety Standards (FMVSS).
2. Securement systems for the wheelchair shall meet or exceed applicable FMVSS.
3. All wheelchair securement systems or devices shall be placed in the vehicle so that, when secured, both wheelchair and occupant are facing toward the front of the vehicle. Fastening devices resulting in a side-facing wheelchair and occupant are not permissible.
4. Straps or seat-belt devices running through the wheels of the wheelchair or around the student seated in the wheelchair for the purpose of securing the wheelchair to the floor are not acceptable.
5. The wheelchair securement system(s) shall be located in the vehicle so that when a wheelchair is not secured in place, the floor attachment system does not extend above the floor level more than ½ inch.

Continued on page 5

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Driver Licensing Requirements:

1. When used as a school bus. The driver, at minimum, must possess a Chauffeur's Class D3 license when transporting students to and from home/school, or when being used for any type of regularly scheduled route between buildings, or other types of special services. This driver must also possess a "school bus driver's authorization," attend training classes, and meet physical requirements and other criteria per Iowa Administrative Code Chapter 281-43.
2. When used as an activity vehicle. The driver, at minimum, must possess a standard Iowa driver's license.

If you have any questions or need additional clarification, contact [Max Christensen](#) or 515.281.4749.

Accessing FY14 Financial Information

Be reminded that your local auditors can access all FY14 financial payment information from the Department, simply by going to the secure EdInfo [website](#), and clicking "Auditor" at the bottom left of the screen. When the login page is displayed, type in FY14 in the Login ID field and click the "Submit" button. Then, on the next page, type the name of the school district in the box "Enter Headquarter Number or Name" and click "go." If a payment does not appear on that list, it was a distribution of funds that was not managed by the Department.

If you are not receiving the automated email notifying you of a deposit of funds, or if you want others in your district to receive those notices, please contact [Jeff Berger](#) or 515.281.3968.

Tuition-In Billing

If your district selects Option 1, "Use per day estimated rates from table," student information must be entered based on the number of days the student attended, as has been done in the past.

However, if your district selects Option 2, "Use actual cost rates as calculated on Screen 1," student information will be entered by either number of days or number of hours, depending on your district's designation. After this option is chosen, a message will appear at the top of each screen indicating the method by which student information is entered.

For questions, contact bill.roederer@iowa.gov or 515.281.7972.

Education Program Consultant Vacancy

The Department of Education is taking applications for an Education Program Consultant (School Finance) due to the retirement of Joyce Thomsen.

The primary responsibilities of this position include working as part of the Bureau of School Finance, Facilities, Operations, and Transportation Services (FFOTS) to implement and monitor electronic fiscal data submissions, assist local education agencies (LEAs) by advising on fiscal health, providing technical assistance on potential sharing efficiencies, fiscal feasibility and Phase II fiscal reviews, and to analyze fiscal data for the School Budget Review Committee (SBRC) and FFOTS Bureau. Additional responsibilities include but are not limited to preparation of fiscal reports and guidance documents, and collaborating with computer programmers on changes in electronic submission and reporting.

To ensure full consideration for this position, all requested materials must be completed and uploaded through the TeachIowa.gov online application process. This position will remain open until filled.

Upcoming Deadlines

School Budget Review Committee Administrative Costs Charged/Billed to Special Education Program Due Date	2-1-15
AEA Certified Budgets Due	2-10-15
Last Day to Bill for First Semester Tuition	2-15-15



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES**Finance, Facilities, Operation, and Transportation Services****Jeff Berger**

COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief

tom.cooley@iowa.gov
515.725.1120

Su McCurdy

Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant

jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant

janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant

denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant

bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant

gary.schwartz@iowa.gov
515.281.4743

Max Christensen, Executive Officer

1 (Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector

joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector

tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector

verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk

maryjo.clark@iowa.gov
515.281.5812

Annual SBRC Message on New Facilities

The School Budget Review Committee (SBRC) requested the Department periodically include an article in the School Business Alert about furnishing, equipping, and contributing to the construction of a new facility to remind districts that decisions by the Committee are made on a district-by-district basis and the individual circumstances in that district. No district should assume, nor plan into its building project, the SBRC will allow modified supplemental amount to furnish and equip new construction, or allow use of the secretary's balance to contribute to construction or furnishing and equipping new construction. The only way a district can ensure it will have enough funds to complete construction and to furnish and equip the facility is to be sure that the bond issue voted in the district is adequate to cover these costs.

The SBRC has also followed certain criteria when districts request modified supplemental amount for initial staffing for a new facility. The district must provide a budget of itemized total actual costs of staff salaries and benefits. The costs must be only for the new, unduplicated, district-wide costs to the school district, and must be actual costs rather than estimated costs. If a staff member transfers to the new school from a former position in the district, only the cost of filling the vacated position is to be included for that staff member. Staff costs are to be reduced for any positions funded with categorical funding, including operational function sharing. The cost of salary increases from one fiscal year to the next is not to be included as a "new" cost.

Because any request that come to the SBRC needs to be based on actual costs rather than estimated costs, the best time to request a hearing for new facility related items is when construction is completed or nearly completed and actual, final costs are known.

Questions may be directed to [Su McCurdy](mailto:Su.McCurdy@iowa.gov) or 515.281.4738.

Data for FY15 Certified Annual Financial Report

Two documents have been updated for FY15 and posted to the Department's website. The 2014-15 District AEA Flowthrough Amounts and the 2014-15 Sources for Local Projects documents are now available under the heading "Data Used to File FY15 CAR" on the webpage [Certified Annual Financial Reports \(CAR\)](#).

For further information, contact [Denise Ragias](mailto:Denise.Ragias@iowa.gov) or 515.281.4741.

State Allocations and Selected Federal Allocations

A comprehensive listing of state, federal, and local dollars for each school district has been compiled. Please see the [2014-2015 allocation summaries](#).

Inside This Issue

- ◇ Annual SBRC Message on New Facilities
- ◇ Data for FY15 Certified Annual Financial Report
- ◇ State Allocations and Selected Federal Allocations
- ◇ COA/CAR Edits
- ◇ Addressing Your Special Education Questions
- ◇ Coding Concurrent Enrollment and PSEO
- ◇ Teacher Leadership Grants Budgeting Coding
- ◇ Medicaid

The February School Leader Update can be found at:

www.educateiowa.gov

COA/CAR Edits

The CAR – 2014 COA Test Records application on the secure [Iowa Education Portal](#) site still uses FY14 edits while we continue updating the programs for FY15 reporting. The following items were in past School Business Alerts (SBA), but we wanted to remind you of some of the edits and/or modifications that will be included when the site is updated for FY15 so you can check your accounts before you receive any edit messages from the upload. Districts will receive edits for the new funding sources, but can still investigate edits received for negative accounts.

Department of Education Preschool Staffing

Districts need to record the on-behalf payment for preschool administration. The on-behalf revenue will be recorded in source and project 3117, program 860, and the expenditure, in an equal amount, will be recorded in function 233X, program 860, project 3117, object 31X. View the spreadsheet with the [FY15 Preschool State Foundation Aid](#).

Nonprogram Food Revenues and Expenses

The Bureau of Nutrition and Health Services sent a memo dated May 10, 2012, to district food service personnel, which indicated “Section 206 of the Healthy Hunger Free Kids Act of 2010 requires school food authorities (SFAs) to annually compare food costs and revenue generated, specifically food costs and revenues of nonprogram items as a percent of the total food costs and revenue.” Districts are already segregating the revenues when following Uniform Financial Accounting and using sources 162X, Daily Sales – Non-reimbursable programs and 163X, Special Food Functions and Institution Income. Expenses should be tracked by using projects 162X and 163X to account for the food costs related to these revenues. This was a warning for FY13 and FY14, but will become an edit for FY15 reporting.

Teacher Salary Supplement

The warning for Teacher Salary Supplement (TSS), for functions and programs that generally will have TSS if there are teacher salaries, may change to an edit for FY15. After reviewing the warnings on the FY14 CAR, there were very few instances when there were legitimate reasons for not having salaries coded to TSS, and the district should have corrected their books rather than leaving the warning and including a comment. We are looking at ways to handle the exceptions, when possible, through the edit programming. As soon as the district knows there is an exception for FY15 reporting, please email us with the circumstances so we can determine whether the exception is valid. Also, the warning did not work as intended for a few non-instructional functions and program combinations so those will be corrected.

Nutrition Fund Assets and Net Investment in Capital Assets

The warning requiring a correlation between Account 76x and Capital Assets (Account 241) less Accumulated Depreciation (Account 242) in the Nutrition Fund will become an edit for FY15 reporting.

Special Education Individualized Costs

Since districts are required to report individualized special education costs separately through the assigned program code for the first time, districts should anticipate there will be a warning or an edit when special education expenditures are reported with no individualized costs.

For further questions regarding COA/CAR edits, please contact [Janice Evans](#) or 515.281.4740 or [Denise Ragias](#) or 515.281.4741.

Addressing Your Special Education Questions

Some districts have asked questions that we thought would be helpful information for all districts.

Special Education Foster Care Claims

"Foster Care" is used as the title for this claim, but this could be misleading to school districts because it does not mean that all students under foster care should be reported as such on a claim. This student status should only be used, if all the following items are applicable:

- The student is served pursuant to an IEP;
- Parental rights have not been terminated;
- The parents do not live in Iowa or where they live cannot be determined after reasonable efforts to locate them; and
- No Iowa school district counted them on the special education weighted headcount in October of the current school year.

If all of these items are not applicable, the district needs to bill the district where the parents lived on the dates served or bill the district that counted the student on the special education count if the parents moved out of state or could not be located after due diligence. Use the Look Back Tool Application to find which district counted the student on the special education weighted headcount in October of the current school year.

Special Education Termination of Parental Rights Claims

This student status should only be used, if all the following items are applicable:

- The student is served pursuant to an IEP;
- The parental rights of the student have been terminated; and
- No Iowa school district counted them on the special education weighted headcount in October of the current school year.

The district needs to bill the district where the parents lived on the dates served prior to termination of rights or bill the district that counted the student on the special education count if the parents' rights were terminated on the days served. Use the Look Back Tool Application to find which district, if any, counted the student on the special education weighted headcount in October of the current school year.

Special Education Nonpublic Claims

This student status should only be used, if all the following items are applicable:

- The student is served pursuant to an IEP;
- The student is attending an accredited nonpublic school for general education services while receiving special education services from the public school district; and
- The cost of providing special education services to the student exceed those funds generated by the resident district for counting the student on special education count (billed to the resident district if you are not the resident district) and those funds generated by your district counting the student as nonpublic shared time on the certified enrollment (if services were provided in the public school and not at the nonpublic school location).

Special Education High Cost Fund Claims

This student status should only be used, if all the following items are applicable:

- The student is served pursuant to an IEP;
- The costs of educating the student exceed three times the state's average per pupil special education expenditure, as calculated annually by the Department, plus the calculated amount of Medicaid eligible expenditures; and
- The claim filed by the LEA or AEA does not qualify as a foster care claim, termination of rights claim, or a nonpublic claim under current Iowa law.

High Cost Fund Claims are paid from a set-aside portion of IDEA Part B by the state. The amount set aside might be less than the total of high cost fund claims received. In that case, the amount paid to each district will be prorated. If a claim is filed late, funding will not be available to cover that high cost fund claim because the available funding will already have been allocated to districts which timely filed.

Contracts and Agreements Between a District and Another Party

School districts may enter into written agreements with specified parties. Best practice would follow the guidelines noted in Iowa Code 28E, even if the agreement is not a 28E contract. All contracts and agreements obligating the funds of the district must be signed by the board president and the board secretary. Contracts signed by other school officials may not be enforceable. It's always wise to have the school's attorney review a contract or agreement prior to signing.

If you have further questions, please contact [Bill Roederer](#) or 515.281.7972.

Coding Concurrent Enrollment and PSEO

Districts have asked for coding guidance for concurrent enrollment and PSEO. All examples will be coded to function 1000 and program 1XX or 3XX, depending on the course. Following are some examples of coding for each:

- Paying another district the supplemental weighting for the concurrent enrollment course for an open-enrolled student – object 567.
- Paying the community college for the concurrent enrollment course for each student enrolled – object 565.
- PSEO course at a community college or college – object 565 for community college or 566 for College/University. The maximum amount of tuition for each separate course shall equal the actual and customary costs of tuition, textbooks, materials, and fees directly related to the course or \$250, whichever is less.

For further questions, please contact [Janice Evans](#) or 515.281.4740.

Teacher Leadership Grants Budgeting and Coding

Districts receiving the first year of the grant in FY16 will include that revenue on Row 12, Other State Sources, on their budget. Districts that will be in the second year of the grant in FY16 will receive the funding through State Aid and will include that revenue on Row 10, State Foundation Aid, on the budget.

The expenditure functions will depend on how the district uses the funds. It is anticipated that many of the expenditures would be on Row 25, Instructional Staff Support Services (Function 21xx). Be cautious of using Row 23, Instruction (Function 1xxx), as the definition of instruction includes the activities dealing directly with the interaction between teachers and students. Look at the district's application, including the estimated budget, to see how the grant will be used, and that will help determine which functions are affected. The source and project code for the first year grants is 3387, Teacher Leadership Grants. The source and project code for the second year funding is 3116, Teacher Leadership State Aid.

If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Medicaid

Department staff are available to local education agency (LEA) staff who wish to learn more about reading Individualized Education Programs (IEPs) or wish to have the Department review the IEPs for which the LEA is billing or considering billing. Together, LEA and Department staff will review the IEPs selected by the LEA. In this process, LEA staff can learn to read IEPs, identify billable services and procedure codes, and identify the necessary accompanying documents, such as an Individualized Health Plan or Behavior Intervention Plan. Department staff are also available to review the LEA's process for collecting, confirming, and submitting claims data.

For further information, contact [Jim Donoghue](#) or 515.281.8505

Upcoming Deadlines

Last date to bill for first semester tuition	2-15-15
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School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities,
Operation, and
Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Carla Schimelfenig, Consultant
carla.schimelfenig@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Indirect Costs vs. Administrative Percentage

We've experienced several situations lately where a reference to "indirect costs" was made, only to realize later in the conversation that we weren't really talking about formal "indirect costs" at all; but instead, we were discussing some sort of use of funds for more general or administrative purpose. In our view, a reference to indirect costs invokes a very specific federally-approved plan that only applies to federal funds. In Iowa, the Iowa Department of Education (Department) calculates the federal indirect cost rate for school districts and area education agencies (AEAs) and seeks approval for those rates from the US Department of Education. Information on the approved Indirect Cost rates for your district can be found [here](#). The approved rates will list both a restricted and unrestricted rate. Generally, if a fund includes a "supplement, not supplant" provision (and this is virtually all of the funding that flows through the US Department of Education), the restricted rate will be used. If the federal funding does not include that provision or does not say which rate to use, the unrestricted rate is appropriate. Typically, programs that fall under the US Department of Agriculture School Lunch Program use the unrestricted rate. No indirect cost rate is applied to any state funding unless the state funding specifically says to do so (and we know of no current state funding that does this).

It is always at the discretion of the district or AEA to actually capture funds using the indirect cost rate. Just because you have an approved rate, doesn't mean you have to use it. If you do apply the approved rate to a given expenditure and that expenditure occurs across multiple federal funds, indirect cost rates should be applied to all of those fund expenditures. The above link includes a document produced two years ago that goes into more specific details on when to use and for what expenditures to apply indirect cost rates.

Capturing a percentage for administrative/general costs is a different thing. Some funding (Statewide Voluntary Preschool Program, for example) provides districts with the ability to use a percentage of the funding generated for general or administrative purposes. Unless a categorical fund allows for this type of expenditure to be coded to the fund (and this is true of both state and federal funds), you cannot do it. Dillon's Rule applies and the use of funding for the purpose must be specifically allowed by law. So, on a state fund that has no specific allowance for use of funding for general purposes, your general fund would be used to cover those expenditures.

We've noticed a trend in a desire to cost back a certain percentage of generalized expenses to the federal Hot Lunch Program. Examples would be custodial or utilities. There are a few ways this is workable and a couple ways this is not. If indirect costs are being captured against federal programs, the money pooled from those funds could be used to cover expenses like utilities and custodial, but only if you are capturing indirects for these purposes from all federal

Inside This Issue

- ◇ Indirect Costs vs. Administrative Percentage
- ◇ Establishing a Public Purpose to School District Funds
- ◇ Iowa School Business Management Academy
- ◇ New School Finance Team Member
- ◇ Third-Party Providers
- ◇ Categorical Funding
- ◇ New/Updated Data Summaries and Reports

Continued on page 2

The March School Leader Update can be found at:

www.educateiowa.gov

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funds. You can't simply say "the hot lunch program uses x% of my total square footage and so I will take that percentage from program funds to cover that same percentage of my generalized costs."

This is a topic that will be included in future DE presentations. For further details and guidance, please read the document on the link above. For more information, contact [Jeff Berger](#) or 515.281.3968.

Establishing a Public Purpose to School District Funds

Another trend that seems to involve a lot of "gray" area is determining a public purpose to spending various district funds. Recent situations involving rewards for teachers and students, investment of district funds, and student activity accounts reinforce the need to be mindful of avoiding the use of public funds for private purposes. And to be clear, simply having your school board say "we believe it is a public use of those funds" is not enough. A similarity exists between this concept and implementation of individualized education programs (IEPs) for students. In the IEP situation, just having the IEP say the activity is necessary isn't enough to make it a special education expenditure. For example, the IEP could speak to renovation of physical space and that specific expenditure would be a capital improvement and never a special education cost. Similarly in establishing a public purpose, saying it is doesn't make it so. The question really revolves around whether the "public good" is advanced by the action. This typically means that funding efforts that benefit individuals of any kind or private entities would not be examples of serving the public good.

Some recent and real examples that we would consider questionable on the public purpose side:

- Purchasing gift cards or using cash as rewards for either staff, students, or volunteers
- Voluntarily waiving an established fee for reasons other than supported by board policy (i.e., district covering an expense that is the parents responsibility)
- Paying for a student's tuition to a private school
- Expelling a student and then paying for his/her tuition to take online or community college courses (unless they have an IEP)
- Paying tuition to a school district out-of-state when the parent decides that is where they want to send their student
- Giving the local Rotary \$10,000 to support their programming with no reciprocal receipt of any services from the organization
- Funding a team camp out of season

In each of these situations, there may be a way to establish some public benefit from the action. Unfortunately, in our view of each of these scenarios, this careful consideration was not done. This is another topic we will be discussing more over the next few months. We will likely address this issue specific to certain types of fund management. For further information, contact [Jeff Berger](#) or 515.281.3968.

Iowa School Business Management Academy
SAVE THE DATES!! The Iowa School Business Management Academy (ISBMA or "the Academy") will be holding its spring Academy on April 29, 30 & May 1 in the Scheman Building at the ISU Center in Ames. (The Level I-IV sessions will be held throughout the three days; the Graduate Level sessions will be held on April 30 and May 1.) SBO licensure renewal credit is available for all sessions. The online registration process is "live" on the Academy's new website at <http://www.education.iastate.edu/isbma.html>. Register before April 6 and SAVE!

New School Finance Team Member

Carla Schimelfenig has been hired as the new education program consultant for the Bureau of Finance, Facilities, Operations, and Transportation Services, filling the position previously held by Joyce Thomsen. You are likely familiar with Carla from her work in the Bureau of Information and Analysis, where she served as lead consultant for Student Reporting in Iowa (SRI) and worked with certified enrollment, concurrent enrollment, and grade sharing among other responsibilities. Prior to her work at the Department, Carla was a secondary mathematics teacher and served as an associate principal in Iowa. Her experience with large-scale data collection and analysis and various student enrollment scenarios will be an asset to the Bureau.

Carla joined the Bureau on March 13 and will transition into work activities quickly. Join us in welcoming [Carla](#) to the School Finance Team!

Third-Party Providers

For districts that are still struggling with private provider contracts, there is an excellent article published in the February 2015 issue of Managing Your Federal Education Funds (volume 3, issue 11). This e-newsletter is published by LRP Publications. Although the article related to Title I, the information would apply to contracts with special education private providers as well. The article is very similar to the guidance the Department of Education has published on the [DE website](#). The article lists key topics to include in the written agreement, including some requirements regarding providers' invoices, and some items that should not be included in the agreement.

The e-newsletter is copyrighted so we are unable to copy or reproduce the article. However, you may be able to access the article on line from [LRP Publications](#) or find another district or AEA that subscribes to the various e-newsletters published by this company.

Categorical Funding

The FY14 ending balances for categorical funding for state and local projects have been posted to the website. See [Categorical Funding](#).

New/Updated Data Summaries and Reports

Several new or updated data summaries and reports have been posted to the Department's website:

[Reorganization and Dissolution History](#) (updated to reflect changes effective 7/1/15)
[FY14 Carryforward of Categorical Funding](#)
[FY14 SAVE-SILO Legislative Report](#)
[FY14 School Association Legislative Report](#)
[2014-2015 IDEA Part B LEA Awards](#)
[2014-2015 State Allocation and Selected Federal Allocations](#)
[2014-2015 District AEA Flowthrough Amounts](#)
[2014-15 Sources for Local Projects](#)
[2013-14 Voter Approved PPEL Elections Results](#)
[2013-14 School Bond Election Results](#)
[Bus Inspection Results](#) (updated to include results by semester for the last three school years)
[2015-16 Indirect Cost Rates](#)

Upcoming Deadlines

Last date to submit LEA electronic annual audit of prior year to the Iowa Department of Education and Auditor of State's Office	3-31-15
Board resolutions for the budget guarantee due to the Department of Management (DOM)	4-15-15
Copy of ballot question or resolution for new VPPEL (that is not 100% property tax) or ISL to DOM	4-15-15
Electronic Budget Certification Date (24.17)	4-15-15
Budget Filed with Control County Auditor	4-15-15



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Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
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515.281.4740

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515.281.4741

Bill Roederer, Consultant
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515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Carla Schimelfenig, Consultant
carla.schimelfenig@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

Board Involvement in Assignment of General Education Students Outside Iowa

Generally, boards are not authorized to place, assign, or tuition Iowa general education students outside of Iowa. These students can be served out of state under the following limited exceptions.

Exception 1: An Iowa court or the Iowa Department of Human Services (DHS) places a general education student outside the state of Iowa. The placing entity pays a negotiated fee to the out-of-state facility to cover basic services and specific treatment per their contract. The public school district has no part in these placements and no cost. No Iowa school district is responsible for any tuition or other costs for a child placed in this manner and cannot voluntarily pay from public funds for these costs that are not its legal responsibility.

Exception 2: The Iowa Department of Education and the adjoining state have negotiated a state-level agreement for this purpose. Iowa school districts near the state boundaries may designate schools of equivalent status across the state line for attendance of students (both general education and special education) when the public school in the adjoining state is closer to the student's home than any appropriate public school attendance center in the Iowa district. Under this exception, an Iowa public school district cannot place students in educational programs outside of Iowa unless both conditions exist: 1) state-level agreement, and 2) the out-of-state public school attendance center is closer to the student's home than any appropriate attendance center in the Iowa public school district. The Iowa Department of Education has negotiated agreements with only two bordering states—South Dakota and Minnesota.

Under Exception 2, if an Iowa resident student elects to attend a district in an adjoining state with a border agreement, the student will have forfeited his or her ability to participate in courses offered under Senior Year Plus (Iowa Code, chapter 261E). Likewise, students from a bordering state who elect to attend an Iowa school are not Iowa residents and cannot enroll in postsecondary enrollment options (PSEO) courses or receive college credit under concurrent enrollment. Because concurrent enrollment courses are district offerings, an out-of-state student may enroll in the course, but must do so directly with the community college. Payment of tuition is the responsibility of the parent and not a district responsibility.

Placement of Iowa students receiving special education services outside of Iowa will be addressed in an upcoming companion article.

Contact [Su McCurdy](mailto:Su.McCurdy@iowa.gov) or 515.281.4738.

Inside This Issue

- ◇ Board Involvement in Assignment of General Education Students Outside Iowa
- ◇ FY15 Chart of Accounts Testing
- ◇ Coding Guidance
- ◇ Uniform Financial Accounting Reminders
- ◇ Correcting a Transaction Initially Coded to the Wrong Fund
- ◇ Local Projects
- ◇ District Reorganizations
- ◇ Transportation
- ◇ HSAP and Space Question
- ◇ SBRC Action Summary

Click to access the [April School Leader Update](#)

FY15 Chart of Accounts (COA) Testing

Department staff are currently working on the “CAR-2015 COA Test Records” application, preparing it for use by the districts. We hope to open this application to testers sometime this month, then to all districts a couple of weeks after testing. This site will mirror the “CAR-2015 Upload and Reports,” which will become available in mid-August for final CAR reporting. Once the CAR-2015 COA Test Records open, we recommend testing the district’s Chart of Accounts early and often to give districts the opportunity to correct edits, particularly those found in Stages 1 through 3, before August. It is also recommended that districts review Stage 4 edits and clear as many of those as practical, considering transactions that will occur later. Please contact [Janice Evans](#) or [Denise Ragias](#) for any questions pertaining to the edits, edit messages, or upload process.

When the application opens, the first page (splash page) will have messages related to the COA, including a list of tables that haven’t been updated for 2015 since the information is not available. If the only Stage 1 edit is a negative amount on the balance sheet, the COA and CAR in FY15 will again allow progression through Stages 2, 3, and 4. Negative amounts in revenue and expenditure accounts need to be eliminated prior to proceeding to Stage 2.

There are no significant changes in 2015; however, some warnings have become edits. Examples include the following:

- Edit 4-34 – The district had total revenues in source xxxx (between 1620 and 1639) of \$xxx, but did not report related food expenditures. Nonprogram food expenditures are reported with project xxxx object 631, when this program source description has revenue. Districts that contract for food services must still report a breakout of food expenditures and labor.
- Edit 4-36a – Net investment in capital assets (account 760) was not the same as capital assets (account 241) less accumulated depreciation (account 242) in the Nutrition Fund. Total net position is reported as Net Investment in Capital Assets (account 760), Restricted Net Position (account 770), and Unrestricted Net Position (account 780).
- Edit 4-37– In Project 1113 (HSAP), tuition revenues (source 132X) must be greater than 0. The district had open enrolled or whole grade shared HSAP students. Tuition revenue for these students will include Project 1113.
- Edit 3-22 – Our hope is to expand this edit to include the function/programs that were included in the warning messages for Teacher Salary Supplement (TSS), and to correct a problem that did not loop through all the non-instructional functions and program combinations. As a rule of thumb, each TSS payment should be coded to match the salary code(s) of the person receiving it.

As introduced in 2014, districts will need to review warnings and, if corrections aren’t needed to the records, select “Edit Comment” and add a note in the comment box as to why the warning message is not applicable to the district for the reporting year. If a warning message is applicable, the district must fix its records in the reporting year. Districts will not be able to certify until all comments are completed. Districts are encouraged to complete the comment boxes as one of the last things prior to certification of the CAR. Even though the comment boxes are included in the COA Test Records application, districts are not required to complete them in COA Test Records as this application is never certified. Examples of warnings and possible comments follow:

Error Description

(Warning 4-30c) The district reported Medicaid expenditures, but did not report expenditures paid to a Medicaid billing service. If the district purchased services for Medicaid billing, this is coded to Function 251X, program 2XX, project 330X, and object 35X.

Comment – The district does its own Medicaid billing.

Error Description

(Warning 4-19c) Taxes levied for fund 22 next year of \$144,998.00 are at less than half of current year tax revenue of \$968,887.61.

Comment – The district has a markedly reduced number of retirement payments in the coming fiscal year.

Error Description

(Warning 4-20b) The district had resources available for project 1113, but reported no expenditures.

Comment – The district had no HSAP students this year.

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Error Description

(Warning 4-11b) The district had resources available for project 3378, but reported no expenditures.

Comment – The district was unable to use its Market Factor balance this year.

If you have further questions, please contact [Janice Evans](#) or 515.281.4740 or [Denise Ragias](#) at 515.281.4741.

Coding Guidance

Deferred Revenue, Deferred Outflows, and Deferred Inflows

Several districts used account 623, Deferred inflows of resources for miscellaneous receivables (i.e., grants, tuition, delinquent property taxes, etc.) not received within 60 days in proprietary funds (61-79). However, this account should not be used in these funds since proprietary funds use the accrual basis of accounting. If this was for unearned revenue, code these to account 483, unearned revenue.

Self-Insurance Funds

Districts will continue to use the Internal Service Fund 71 to account for Self-Insurance even though GASB 66 allows Self-Insurance funds to be reported in the General Fund, Special Revenue Fund, or the Internal Service Fund.

Succeeding Year Property Taxes

Every district is required to book a receivable for the property taxes levied in their budgets for collection in the succeeding year. For each applicable fund, a journal entry should be made debiting Account 123 Succeeding-year property tax receivable and crediting Account 621, Deferred inflow for succeeding-year property taxes receivable. One of the sources of this information is a document on the Department of Management's website called [Outstanding Property Tax Levies and Maximum Levy Limits](#). These amounts change each year so be sure the district's records are updated.

We have found a few districts that appear to have recorded delinquent property taxes to these account numbers incorrectly. To record delinquent property taxes, debit revenues Account 121 Taxes Receivable and credit the appropriate revenue for the amount received in July and delinquent taxes received in August. Any other delinquent tax receivables recorded but not received will be credited to Account 623, Deferred inflows for miscellaneous receivable.

Whole Grade Sharing

Districts that whole grade share must record tuition revenue (Source 1325) or expenditures (Object 568) depending on which end of the contract pertains to the district. Districts cannot call it a "wash" and not record one side or the other (revenue or expenditure). In addition, districts must keep their own student activity funds and cannot give these funds to the other district. Pursuant to the written agreement between districts, the serving district may bill the resident district for costs related to those students to the extent that funds are available for that activity.

Interdistrict Services

Payments for interdistrict services (other than tuition and transportation) should be recorded to Object 59x, Interagency Purchased Services. Revenues for the same services should be recorded to Source 195x. For example, a shared teacher will only have salary, FICA, and IPERS recorded at the district which holds the contract. The sharing district will code their portion to Object 59x.

Dues and Fees

Object 810 is to be used for Dues and Fees. This object code category should be used for expenditures for membership in professional or other organizations, as well as student entry fees to contests. Districts may want to check their use of this number in their accounting system. Conference fees should be coded to Function 2213 Instructional Staff Training or Function 2574 Staff Development for Non-Instructional Staff, Object 330 Professional Employee Training and Development or Staff Workshop & Conference Registration Fees, Object 331.

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Student Assessments

Function 2240 is for the use of services rendered for the academic assessment of the student. A recent data request showed that in FY14, only 75 districts had any expenditures coded to this function. Check your Chart of Accounts.

Program Numbers

It's important to use the correct program numbers, particularly with categoricals. The grant or categorical funding is tracked by the project code, but how will the district know if it overspent its categorical? You will know this by using the program code. An important example of this is the Limited English Proficient Program. The new application for requesting Supplemental Aid for the Limited English Proficient Program pulls in Program 410, Project 0000 expenditures. If Program 100 is used, the district will have nothing to pull into the application and will have no proof in its financial data that it overspent its funding.

Title I Program Dimension

This is a reminder of the Title I program codes which should be used accordingly in revenues, expenditures, and on the balance sheet. If districts wish to further segregate the general funding for Title I, other 43X program codes may be used. Following are the program numbers currently assigned for Title I programs:

- 431 Title I General
- 432 Title I Schools in Need of Assistance (SINA)
- 433 Title I Districts in Need of Assistance (DINA)
- 438 Title I Delinquent

SINA cannot be carried over; any balance is reverted. Record this in account 41X, intergovernmental payables, project 4501, program 432, instead of account 481.

Report any Title I Delinquent (project 4501, program 438) carryover balance at year end as Title I basic (program 431), rather than Title I delinquent (program 438).

Special Education Individualized Costs

Districts must use new program numbers identifying individualized costs (2x2, 2x5, 2x8) pursuant to a student's Individualized Education Program (IEP). Expenditures coded to these individualized programs will not pull into the Tuition-In Billing (TIB) program screen 1 where the cost per day/hour is calculated for general use. These expenditures will be included in the Expenditures section of the Special Education Supplement (SES) on Screen 8.

Program 212	Level I Individualized Costs
Program 215	Level II Individualized Costs
Program 218	Level III Individualized Costs
Program 225	Level II Individualized Costs
Program 228	Level III Individualized Costs
Program 235	Level II Individualized Costs
Program 238	Level III Individualized Costs
Program 242	Level I Individualized Costs
Program 245	Level II Individualized Costs
Program 248	Level III Individualized Costs

Nutrition Revenue Coding

Districts are required to break their nutrition sales into the following categories. Districts should work with their software provider to provide this level of detail.

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Source	Description	Comment
1611	Daily Sales – School Lunch Program	Every district should have these sales. Adult lunch sales are recorded in source 1622.
1612	Daily Sales – School Breakfast Program	Nearly every district should have these sales and they should not be combined with lunch sales. Adult breakfast sales are reported in source 1624.
1613	Daily Sales – Special Milk Program	This program requires a special application and is used when students do not have access to the breakfast or lunch program (e.g., 1/2 day kindergarten). There are fewer than 30 districts in this program.
1614	Daily Sales – After School Program	This program requires a special application. There are 30 districts in this program.
1621	Ala Carte Sales and Additional Milk or Snacks for Students	In addition to ala carte items, all individual milk sales (2nd milk, adult milk) should be coded here. Every district should have ala carte sales.
1622	Adult Lunch Sales	Every district should have these sales.
1623	Adult Breakfast Sales & Second Student Breakfast	Nearly every district should have these sales.
1624	Adult Milk Sales (Special Milk Program)	This is only for districts in the Special Milk program (see 1613 above) and it is used for the adult milk sales only.
1625	Adult Snack Sales (After School Program)	This is only for districts in the After School program (see 1614 above) and it is used for the adult snack sales only.
1626	Second Student Lunch Sales	Federal and state reimbursement can only be claimed on one lunch sale per student. Second student lunch sales should be coded here.

Uniform Financial Accounting (UFA) Reminders

The beginning of the UFA Iowa Chart of Accounts includes the rules regarding use of the various account codes within each dimension. There have been many instances where districts have used the “other” category within a section, or one of the unassigned numbers within a section, when there is already a more appropriate code assigned for the activity. The UFA is designed to provide districts with some flexibility within the account codes; however, districts must ensure the coding is done as indicated in the UFA. For example, since postage is already assigned to object 531, a district may not choose to use object 538 or 539 for postage. However, since the header may be used rather than detail, the district could choose to use object 530 for phone, postage, etc., instead of the detail numbers. Following are rules from the UFA regarding these types of issues.

Generally, districts/AEAs cannot add account codes except where noted. However, see the next three business rules:

- If a header is defined and there are blank rows under that header, the district or AEA may assign locally detail that is a subset of that header as long as there is not a more appropriate code already assigned for the activity.
- If a header is not defined, the district or AEA may not assign locally either a header or detail.
- If a district/AEA wants greater detail for a single assigned code, it would use a district-defined dimension for the additional detail rather than splitting the assigned code into multiple rows.

Districts/AEAs may also add additional dimensions as needed for local reporting.

For additional clarification, please contact [Janice Evans](#) or 515.281.4740 or [Denise Ragias](#) at 515.281.4741.

Correcting a Transaction Initially Coded to the Wrong Fund

Interfund transfers should not be used to make corrections when an error has been made in receipting revenue or expending funds in the same year. Instead, the district should reverse its entry in the incorrect fund and make the entry in the correct fund. For example, a receipt went into Activity Fund and it should have gone into General Fund. There is no need to make an interfund transfer from Activity to General Fund to correct an error made in the current year.

Instead the district should:

DR Revenue originally used in the Student Activity Fund
CR Cash in Student Activity Fund

DR Cash in General Fund
CR Revenue in General Fund

If the transaction were recorded in a previous year, instead of making an entry to revenue which will not “wash” with the incorrect entry, the correcting entry made will depend on whether or not this was corrected in the audit.

If the transaction were reported in the correct fund in the audit, the district should code:

DR Function 6900, Object 990 - Downward adjustments to beginning fund balance in Student Activity Fund
CR Cash in Student Activity Fund

DR Cash in General Fund
CR Source 5900 - Upward Adjustment to Beginning Fund Balance in General Fund

If the auditor did not correct this in the audit, it is recorded as an interfund transfer:

DR Function 6210, object 910 - Interfund transfer to General Fund in Student Activity Fund
CR Cash in Student Activity Fund

DR Cash in the General Fund
CR Source 5221, Interfund Transfer from Student Activity Fund, in General Fund

For expenditures recorded in the Student Activity Fund rather than the General Fund corrected in the same fiscal year:

DR Cash in Student Activity Fund
CR Expenditure originally used in Student Activity Fund

DR Expenditure in General Fund
CR Cash in General Fund

For prior year expenditures if corrected in audit:

DR Cash in Activity Fund
CR Source 5900 - Upward Adjustments to Beginning Fund Balance in Activity Fund

DR Function 6900, Object 990 – Downward adjustments to beginning fund balance in General Fund
CR Cash in General Fund

For prior year expenditure not corrected in audit:

DR Cash in Student Activity Fund
CR Source 5210 – Interfund Transfer from General Fund in Student Activity Fund

DR Function 6221, object 910 - Interfund transfer to Student Activity Fund in General Fund
CR Cash in General Fund

If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Local Projects

The Department of Education posts the Sources for Local Projects (111x) on the [CAR](#) webpage. This document breaks out the source amount, received through allocation of State Aid, School Budget Review Committee (SBRC) budget authority, and local match, for projects 1112 Limited English Proficient Program, 1113 Home School Assistance Program, 1116 Weighted At-Risk Program, 1118 Gifted and Talented Program, 1119 Returning Dropouts and Dropout Prevention Programs.

Districts are not required to break out these sources of revenue in their financial software, but they may do so, ensuring the amounts match the [spreadsheet](#) posted by the Department. The Department uses the numbers from this spreadsheet to determine the revenue from allocations, SBRC authority, and required local match to which a district must match expenditures and/or restricted fund balance in the Certified Annual Report. The district may also receive tuition revenue from other districts for some of these projects. If you have further questions, please contact [Denise Ragias](#) at 515.281.4741.

District Reorganizations

With any school district mergers effective July 1, 2015, we would like to confirm that the state's accounting system is up-to-date. We request that those districts complete a new Form [W-9](#) for the merged school district and fax it to 515.242.5988. In addition, districts may also want to update the EFT Authorization Form to reflect any new bank accounts. For more information, contact [Michael Lammers](#) or 515.281.3589.

Transportation

Iowa school districts will once again have the opportunity to participate in a national survey regarding illegal passing, sponsored by the National Association of State Directors of Pupil Transportation Services (NASDPTS). This will be the fifth year that Iowa has participated. Collection of these data has proven invaluable to efforts in reducing the epidemic of vehicles passing school buses stopped to load or unload students. Please pass this information along to your school transportation director or contractor. To participate in the survey, or for more information, please contact [Max Christensen](#) or 515.281.4749.

Home School Assistance Program (HSAP) and Space Question

Q: Can a district set aside part of the district's building space to use exclusively for HSAP and then lease/rent that portion to HSAP to be paid from HSAP funding?

A: No. HSAP is a district program, not an outside entity. Once the district counts the students for funding purposes, the district is responsible for providing the program. The district is responsible for providing the space for each of its programs. It could rent or lease space from an outside entity, but that cost would be a PPEL/SAVE cost and would not be paid from categorical funding in the General Fund. The district cannot rent or lease its own space to itself. The district could not identify a portion of its own facilities (owned or leased) and charge off that portion of its cost to its own categorical funding meant for programming. This would result in recharacterization of categorical funding to general purpose funding and would not be allowable.

Contact [Su McCurdy](#) or 515.281.4738.

School Budget Review Committee (SBRC) Action Summary

The SBRC met in regular session on April 8. At that hearing, the Committee set its FY16 schedule, granted permission for special education administrative costs, approved modified supplemental amount (MSA) for returning dropout and dropout prevention programs, acted on MSA with resubmitted corrective action plans for negative unspent balances, accounting errors by districts that permanently harmed their unspent balances, hazardous materials abatement requests, and requests related to new programs or to initial staffing and furnishing and equipping new classrooms related to opening a new school building.

For further information, contact [Su McCurdy](#) or 515.281.4738.

Upcoming Deadlines	
Bond Resolution Filing (if any) with Control County Auditor	5-1-15
VPPEL Ballot Due to DOM	5-1-15
Second Semester Parental Claim Forms for Nonpublic Transportation Reimbursement Due	5-1-15
AEA Budget Proposal—Resubmit Unapproved Budget	5-15-15



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Carla Schimelfenig, Consultant
carla.schimelfenig@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

[Click to access the May School Leader Update](#)

School Fees

The allowable fees expressly authorized in Iowa Code are:

- Textbooks **(301.1)**
- School supplies **(301.1)**
- Summer school programs **(282.6)**
- Driver education programs **(282.6)**
- Transportation fees for resident students who are not otherwise entitled to free transportation **(285.1(1))**
- Eye protective devices **(280.10)**
- Ear protective devices **(280.11)**
- School meals **(283A)**
- Nonresident student tuition **(282.1)**

Iowa Code states the board of directors of the school district is authorized and empowered to contract for and buy books and any and all other necessary school supplies at contract prices, and to sell those books and supplies to their students at cost, loan the textbooks to their students free, or rent the textbooks to their students at a reasonable fee as set by the board **(301.1)**.

Various opinions of the attorney general have added clarification to when fees are allowed for school supplies.

- A school district may not assess fees for items which are necessary or essential to the instruction of a class unless such a fee is specifically authorized by the Code; however, a district may assess fees for school supplies which represent the cost of the item or a reasonable rental fee. The cost of items which are necessary or essential to the instruction of a class must be properly characterized as tuition rather than school supplies. Examples are art supplies for art classes and chemicals for science classes. In contrast, pens and paper used by students to take notes would be properly characterized as school supplies **(OAG #93-7-3(L))**.
- All facilities, supplies, and other items which are necessary or essential to instruction must be provided free of charge [except as expressly allowed by Code] in a tuition-free school which is required by law. A school district may purchase other supplies and distribute them to students, but they must be provided for free, rented for a reasonable fee, or sold at cost **(OAG #79-12-22)**.

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- ◇ FY15 COA Test Records
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- ◇ Uniform Financial Accounting Manual
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- ◇ Title II A—End of the Year Reimbursements
- ◇ Nonpublic Transportation Reimbursement Application
- ◇ Clean Diesel Funding Assistance Program
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- ◇ District Communication

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- Public schools may not charge fees for courses offered as part of their educational program [except as expressly allowed by Code] as such fees constitute tuition. Schools may not charge fees for extracurricular activities as there is no express or implied statutory authority for such fees (**OAG #81-8-29**).

The restrictions on fees related to school supplies are equally applicable to lists of class supplies given to parents to provide. If the school district would not have been allowed by law to charge students a fee for the item, then the district cannot require the parents to provide those items either. Those items, which are necessary or essential to the instruction of a class, must be provided by the district. Examples would be paints, crayons, art erasers, scissors, clay or similar supplies used for art instruction.

Likewise, parents cannot be required to provide district or classroom supplies; these are the responsibility of the district. Examples include items such as disinfecting wipes and other cleaning supplies, adhesive bandages, handheld calculators required for a class, dry erase markers, hi-liters, multiple rolls of scotch tape, multiple bottles of glue, boxes of plastic bags, and paper towels.

In addition, allowable school supplies provided by students or their parents remain the property of those students providing the supplies and do not become general classroom supplies. Examples would be pencils or other markers used in place of pencils, colors, notebooks, boxes of tissues, folders and backpacks or school bags.

Fee waivers, full and partial, are governed by 281--Iowa Administrative Code 18. A full waiver of all fees shall be granted if the student or the student's family meets the financial eligibility criteria for free meals, for the Family Investment Program (FIP), for transportation assistance under open enrollment, or if the student is in foster care. A partial waiver is appropriate if the student or student's family meets the financial eligibility criteria for reduced-price meals, and is based on "a sliding scale related to an ability to pay." One simple way to justify the amount of a partial waiver is to make sure that it corresponds to the percentage of the reduced-price meal from full-price meal. Finally, each school district has discretion to grant a temporary waiver of one or more fees in the event of a temporary financial difficulty in the student's immediate family. This temporary waiver may be granted at any time during a school year; the maximum length of a temporary waiver shall be one year.

Contact [Su McCurdy](#) or 515.281.4738.

FY15 Chart of Accounts (COA) Test Records

The FY15 COA Test Records site will be accessible soon to all districts as voluntary testers while Department of Education (Department) staff also continue testing. During this test period, some edits and warnings may not be working properly, so they may change as corrections are made. Hopefully, the application will officially be opened to all districts around May 20. Any known edits or warnings still not working properly will be noted on the splash page. Once open to all, districts are encouraged to start uploading and correcting their books. A district may test an individual account code or an entire file in accordance with the 2015 COA-CAR rules. The test site mirrors the "live" site, with the inclusion of the reports this year. The application is available at the [Portal](#). Once logged in, go to Edinfo, Finance Applications.

Many of the CAR edits are programmed to check tables for information. These tables may not be completely loaded during the testing period. This information is entered as we get it; therefore, there may be some edit messages that appear during testing that normally would not. We noted the incomplete tables on the front page of the COA-CAR. Also, districts may get many Stage 4 reconciliation messages as all revenue, receivables, or restricted fund balances would not be entered prior to the end of the fiscal year.

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We strongly urge districts to test their files early and often. Please be sure to update your financial software to the most current version before creating a text file.

If you come across a warning or edit message that does not make sense or doesn't seem to be working properly, please contact [Denise Ragias](#), 515.281.4741. **Districts should not fix their books just to pass edits, as the edit may need to be modified.** Contact Denise for issues with the upload, working through edit messages, and reports.

Contact [Janice Evans](#), 515.281.4740, with coding questions and for journal entries.

Medicaid

2015-2016 Webinar Training Dates

Training will include Medicaid updates and program review. Please send an email to [Jim Donoghue](#) with your selected date and time if you wish to attend one of the Zoom webinar trainings scheduled for:

Tuesday, August 18—8:00-9:00 a.m.	Monday, August 24—9:00-10:00 a.m.
Tuesday, August 18—2:00-3:00 p.m.	Monday, August 24—3:30-4:30 p.m.
Wednesday, August 19—11:00 a.m.-12:00 p.m.	Tuesday, August 25—9:00-10:00 a.m.
Thursday, August 20—9:00-10:00 a.m.	Thursday, August 27—2:00-3:00 p.m.
	Monday, August 31—2:00-3:00 p.m.

Iowa's Medicaid Modernization Initiative Will Not Change Iowa Local Education Agencies (LEAs), Area Education Agencies (AEAs) and Infant Toddler Programs

The Department of Human Services proposes to enroll the majority of the Medicaid, Healthy and Well Kids in Iowa (hawk-i), and Iowa Health and Wellness Plan enrollees in comprehensive managed care organizations (MCOs). DHS will contract with MCOs to provide comprehensive health care services including physical health, behavioral health, and long-term services and supports (LTSS). This initiative creates a single system of care to promote the delivery of efficient, coordinated, and high quality health care and establishes accountability in health care coordination. (From Iowa Medicaid Enterprise (IME) Medicaid Modernization Fact Sheet). For more details, see [Medicaid Modernization](#). Iowa's LEA, AEA, and Infant Toddler program providers will continue to operate in the same manner, not through managed care organizations.

International Classification of Diseases 10th Edition (ICD-10) Transition Plan for Local Education Agencies

Iowa Medicaid Enterprise Provider Services will be issuing a Provider Information Letter regarding this topic. In the meantime, guidance regarding the latest expectations is provided here. First, Iowa Medicaid has recommended a crosswalk of ICD 9 to ICD 10 (one ICD 9 to many ICD 10). The crosswalk can be found [here](#). Second, LEA providers will have to choose the best match until they can confirm, from the child's medical provider, what the medical provider has determined the ICD 10 diagnosis to be. To choose the best match, LEAs may use the crosswalk mentioned above from the American Academy of Professional Coders. On the page that opens at the link above, there is a tool where one can enter the latest ICD-9 diagnosis and get cross walked ICD-10 diagnoses. Third, these students should see a medical provider annually at a minimum. LEA providers should be able to get a confirmed ICD-10 diagnosis by September 30, 2016.

Federal Medical Assistance Percentage (FMAP) and Non-Federal Share Invoice Percentages in the 2015-2016 School Year

The non-federal share (the invoiced amount for LEAs, AEAs, and Infant Toddler providers) will be 45.09 percent from October 2015-September 2016. That is an increase from the October 2014-September 2015 rate of 44.46 percent.

Reminder for the 2015-2016 School Year to Check Exclusions List

It is important that as an Iowa Medicaid provider, you are not submitting claims for services provided by someone who is excluded from participation, listed at www.oig.hhs.gov/exclusions/index.asp. Each Iowa Medicaid provider has agreed, in their contract, to comply with this. Prior to starting the 2015-2016 school year, please check the exclusions list for any of your staff delivering billable services.

For further information, contact [Jim Donoghue](#) or 515.281.8505.

Finalizing Title I Budgets for 2014-2015

It is that time of year for the school business official and the Title I coordinator to work together to finalize your Title I budget/s for the 2014-2015 school year. All budgets (general, carryover, migrant, SINA, and local delinquent) must be finalized by July 15 and the figures need to match the figures your district will be submitting in September on the Certified Annual Report (CAR).

Before finalizing any budget (general, carryover, migrant, local delinquent, SINA), please consider these things first:

- Check with your Title I coordinator and come to agreement regarding actual expenditures for each Title I project budget. Remember that you will only be reimbursed by Title I for approvable expenditures up to (not exceeding) the Title I budget allocation.
- All costs approved on the Title I budget must have been paid before finalizing expenditures (exception: if only salaries and benefits are left to pay, these are considered fixed costs and may be paid after closing out the Title I project).
- Before finalizing the budget, all three of these conditions must be true: 1) the district did not spend less than the approved budget amount; 2) the district does not have additional expenditures that should be included in the approved budget; 3) the district expenditures do not exceed the approved budget amount in any particular category by more than 10 percent.

If the three conditions listed above are not true, you must amend the appropriate Title I budget before finalizing expenditures. Refer to section General Budget Local & Neglected of the Title I Reference Manual for guidance on the amendment process. The recommended due date for amendments is June 1, 2015.

If you have a SINA building and were required to set aside 20 percent for school choice and supplemental educational services (SES), and you did not expend the full 20 percent on school choice and SES, you must complete the Notification of Unexpended Funds form prior to amending your budget to utilize those funds elsewhere. The form can be found on the website under Title I or [click here](#). As soon as you have submitted the form to the Title I office, you should begin your amendment process.

If the expenditures on the Title I budget are accurate, final, match the ledger, and approved by the school business official as the figures to be reported on the CAR report, please select the "Finish" button on the appropriate Title I project budget screen. You are reminded that the "Finish" button when the status is Waiting District Final Approval should not be selected until you are certain all project budget expenditures are final and accurately listed in the project budget being certified as complete. Don't forget to hit the "Submit" button after you finalize the budgets.

The district is required to complete the final project budget completion process for each approved project no later than July 15, 2015. The final Title I payment will be received after the project has been certified as final and the "Submit" button is pushed.

Contact Geri McMahon at geri.mcmahon@iowa.gov or 515.281.3944, if you have further questions.

Most Common Local Title I Audit Findings

Each year the Title I office receives the results of all local audit findings that pertain to Title I. You will find the two most common Title I audit findings below:

- Title I final budgets submitted to the DE were not reconciled to actual expenses reported in the district's general ledger and/or the CAR.
- All employees paid out of federal funds must document employee time and effort in accordance with OMB Circular A-87. This stipulates that an employee who works solely on a single cost objective must furnish a semi-annual certification that he/she has been engaged solely in activities that support the single objective. If an employee works on multiple activities or cost objective/s, he/she must maintain time and effort distribution records by individual pay period which documents the portion of time and effort dedicated to the Federal program or cost objective/s and the portion of time supported by other revenue sources.

Contact Geri McMahon at geri.mcmahon@iowa.gov or 515.281.3944, if you have further questions.

Uniform Financial Accounting Manual

Any updates to the Uniform Financial Accounting, Iowa Chart of Accounts Coding are posted to the web the beginning of each month at [Uniform Financial Accounting](#). Contact [Janice Evans](#) or 515.281.4740.

Indirect Cost Rates

Indirect cost rates for FY15-16 Federal programs, when allowable, are now available on the [web](#). Contact [Janice Evans](#) or 515.281.4740.

Title II A – End of the Year Reimbursements

Please send your final Title II A invoices for 2014-2015 to [Isbelia Arzola](#) by June 5, 2015. Submit a cover letter including the total amount requested and a copy of the ledger including finance codes. Requests may also be submitted as an attachment via email to Isbelia.

Nonpublic Transportation Reimbursement Application

The Nonpublic Transportation Reimbursement Application will open May 15 for data input. Please double-check the data and certify the application by June 15. If you entered data in the system prior to May 15, those data are deleted when the system opens, so they will need to be reentered. The Department intends to issue reimbursements to districts in July, but needs to have all district data in by June 15 to meet this goal. A short training video regarding the application is available [here](#). The general “how to” content of the video is current; however, the process mentioned for accessing the application is not (the now defunct Edinfo site is referenced). The reimbursement application can only be accessed via the [Portal](#). If you have questions, contact [Max Christensen](#) or 515.281.4749.

Clean Diesel Funding Assistance Program

The United States Environmental Protection Agency (EPA) Clean Diesel Funding Assistance Program has opened. The EPA will accept applications until June 15, and will notify selectees by September. On May 21, there will be an [informational session](#).

For those who may think getting some of this rebate money is next to impossible, you might reconsider. During the 2014 round of rebates, there were 76 schools across the nation that were selected, and seven were from Iowa, bringing a total of \$185,000 into our state.

This is a federal rebate program, so any questions should be directed to the federal EPA. The program guide, application, and FAQs are posted at [EPA](#).

Cost of In-service Training for New School Bus Drivers Increasing

In-service training for new school bus drivers will be increasing beginning July 1, 2015. The cost of the “New Driver STOP Class” will increase from \$85 per driver to \$100 per driver. The cost for the “Annual 3-Hour Class” will remain the same at \$25 per driver per year. If you have any questions, please contact [Max Christensen](#) or 515.281.4749.

District Communication

Much of the communication to superintendents/ business managers from the Department is done via e-mail. This allows the Department to provide timely communication and has been a cost savings to the Department. If you are not planning on being with the district next year, please reply to [Marcia Krieger](#) and let her know. If you know your replacement and their email address, we would appreciate that information as well.

Upcoming Deadlines	
AEA Budget Proposal Resubmit Unapproved Budget	5-15-15
Deadline for District Budget Amendments	5-31-15
Nonpublic Transportation Reimbursement Claim Due	6-15-15
Last Day to Pay PSEO Tuition Due to Eligible Postsecondary Institutions	6-30-15



School Business Alert

IOWA DEPARTMENT OF EDUCATION

Grimes State Office Building
400 E. 14th St.
Des Moines, IA 50319-0146
FAX: 515.242.5988

DIVISION OF SCHOOL FINANCE AND SUPPORT SERVICES

Finance, Facilities, Operation, and Transportation Services

Jeff Berger
COO, CFO, Deputy Director
jeff.berger@iowa.gov
515.281.3968

Tom Cooley, Chief
tom.cooley@iowa.gov
515.725.1120

Su McCurdy
Administrative Consultant
su.mccurdy@iowa.gov
515.281.4738

Jim Donoghue, Consultant
jim.donoghue@iowa.gov
515.281.8505

Janice Evans, Consultant
janice.evans@iowa.gov
515.281.4740

Denise Ragias, Consultant
denise.ragias@iowa.gov
515.281.4741

Bill Roederer, Consultant
bill.roederer@iowa.gov
515.281.7972

Gary Schwartz, Consultant
gary.schwartz@iowa.gov
515.281.4743

Carla Schimelfenig, Consultant
carla.schimelfenig@iowa.gov
515.242.5612

Max Christensen, Executive Officer 1
(Transportation)
max.christensen@iowa.gov
515.281.4749

Joseph Funk, Bus Inspector
joseph.funk@iowa.gov
515.669.4987

Tom Simpson, Bus Inspector
tom.simpson@iowa.gov
515.326.1022

Verlan Vos, Bus Inspector
verlan.vos@iowa.gov
515.669.4994

Mary Jo Clark, Clerk
maryjo.clark@iowa.gov
515.281.5812

[Click to access the June School Leader Update](#)

Management Fund and Allowable Insurance

Iowa Code section 298.4 authorizes the Management Fund levy. Among those allowable uses are paying the costs of liability insurance and insurance agreements under section 296.7. Section 296.7 allows a district to enter into insurance agreements to protect the district from tort liability, loss of property, environmental hazards, or any other risk associated with the operation of the district. Transfer of “risk” is key to whether or not the cost is allowable from Management Fund.

Declaratory Order 23 DoE 130 discusses the key elements of determining whether or not a program is an insurance program. Merely calling a program “insurance” does not make it so. Transfer of risk to another party is a necessary element to be insurance. Although this Declaratory Order was analyzing the IJUMP program, the reasoning would apply to any program that the district is considering using Management Fund to cover as “insurance.”

The petitioner argued that the program was insurance protecting participating school districts from the risks of substantial, unforeseen increases in costs that could disrupt the operation of the school district. That argument was not successful.

The Declaratory Order states, paraphrased: The essence of an insurance agreement is that one party pays consideration to a second party in return for the second party assuming some specified risk for the first party. See 43 Am.Jur.2d *Insurance* § 1, at 73-74 (1982). The Iowa Supreme Court, recognizing that our statutes do not define insurance, has stated that an agreement is one of insurance if it meets the following test:

[O]ne party, for compensation, assumes the risk of another; the party who assumes the risk agrees to pay a certain sum of money on a specified contingency; and the payment is made to the other party or the party’s nominee.

Barberton Rescue Mission, supra, quoting *State v. Schares*, 548 N.W.2d 894, 896 (Iowa 1996) (quoting *Iowa Contractors Workers’ Comp. Group v. Iowa Ins. Guar. Ass’n*, 437 N.W.2d 909, 916 (Iowa 1989)). See also GASB, Statement No. 10 – Governmental Accounting Standards Board Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, defining insurance as “the transfer of risk of loss from one party (the insured) to another party....”

Inside This Issue

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- ◇ Concurrent Enrollment Supplementary Weighting on the Open Enrolled Student
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No risk is assumed by IJUMP. The risk remains with the participating districts at all times. The only advantage to a participating district is akin to a budget-billing plan wherein the certainty of the price of fuel is set for a twelve-month period, but increases are still eventually absorbed solely by the district.

Furthermore, a more expansive reading of section 298.4 is unlikely to be approved by our courts by virtue of the fact that section 298.4 is a tax statute. The sole source of revenue for the management levy is property taxes. In fact, section 298.4 authorizes an unlimited property tax levy. Inasmuch as “tax laws are to be strictly construed against the [taxing body] and in favor of the taxpayer,” we decline to interpret the term “insurance agreements” in section 298.4 to include the Fleet Service program of IJUMP.

Community Eligibility Provision (CEP) for Schools

In the 2014-2015 school year, the U.S. Department of Agriculture rolled out a new initiative called CEP that was intended to enhance the ability of districts to ensure all students have access to good nutrition through the National School Lunch Program. Eligible buildings have the potential for more students to qualify for free meals through this program. Buildings accepted into the program are also not required to collect completed Free and Reduced (F/R) Price Meal applications from parents.

As the question below discusses, this does require the district to “rethink” how it collects information on low socioeconomic status (SES) students in CEP buildings. The Iowa Department of Education (DE) is requiring CEP buildings to use a Household Survey to gather information from parents on income eligibility for things like fee waivers and accountability provisions. See the [Community Eligibility Provision](#) web page for more information.

Top four questions about Community Eligibility Provision:

Do I qualify? Qualification for free meals by direct certification, food assistance number, migrant, homeless, foster, and head start all contribute to the Identified Student Percentage (ISP) minimum of 40 percent.

Is it financially feasible? While 40 percent of students is the minimum ISP allowed for a school or group of schools to participate, a level closer to 62.5 percent, when all meals are reimbursed at the free level contributes more to sustain the Food Service operations. The calculator on the [Community Eligibility Provision](#) web page can estimate reimbursement.

If there are no meal eligibility applications how do I indicate low SES status for a student? While no meal eligibility applications may be processed by food service for buildings participating in CEP, the list of students directly certified through the DE download may be provided by the Food Service Department. For non-meal use (e.g., Title 1, fee waivers, etc.) information for additional students is provided through the use of household surveys. Best practice ideas include:

- Keep the survey simple.
- Tell the parents what services, benefits this information is used for.
- Have the survey be a part of registration materials.
- Include a checkbox that allows a family to decline and not report income information.

What is the deadline to sign up? August 31 is the deadline; however, earlier decisions are more successful in returning an adequate number of household surveys.

For more information including guidance, a calculator, decision tree, and sample household surveys, check out the [Community Eligibility Provision](#) web page.

High-Quality Emergency Operations Plans Trainings

The [Iowa Department of Education](#) will be offering trainings this fall at the AEAs to assist Iowa school districts in the development and implementation of emergency operations plans (EOPs). The DE and the U.S. Department of Education with the [Readiness and Emergency Management for Schools Technical Assistance Center \(REMS-TA\)](#) will be providing resources and training information for providing safe learning environments. The U.S. Department of Education has recommended the [six step planning process](#) that involves working collaboratively with a team of district staff and community partners to determine the EOP goals and objectives. Teams of 2-4 are preferred which could include: principals, assistant principals, risk managers, school board members, school safety coordinators, transportation and food service coordinators, facility managers, nurses, counselors, public information officers, teachers, local first responders, and emergency coordinators.

Trainings will provide school districts with the knowledge, skills, and tools needed to refine or develop an all-hazards school district EOP. Trainings will follow the [Guide for Developing High-Quality School Emergency Operations Plans](#) and utilizes the [National Incident Management System \(NIMS\)](#) as the foundation for planning and building partnerships with outside agencies such as law enforcement, fire, and emergency management.

For more information about school emergency management trainings, contact [Gary Schwartz](#) or call 515.281.4743.

State Contracts for School Bus Purchasing

The Department of Administrative Services (DAS) has been working with several of the Iowa school bus dealers to develop an online school bus purchasing system. This system is now open and should make the purchasing of a school bus a much easier and transparent process. Complete specifications and pricing can be found here: [Online School Bus Purchasing](#). In the field titled, Enter any keywords and click 'Go';, type in "school bus." For more information, contact Randy Bennett with DAS at randy.bennett@iowa.gov

Special Education Finance

The Tuition In Billing program is now available for districts to complete their FY 15 final year billings. Please remember that all school districts will need to submit their final year billings by July 15.

You will enter student information by either number of "days" or number of "hours" depending on your district's designation. After you complete your CAR upload to activate the TIB program, a message appears at the top of each screen indicating the method in which you will enter this information.

As a reminder, between June 1 and June 22, districts should ensure that all students have been entered into their Tuition In Billing program, including all special education foster care, termination of rights, nonpublic, and high cost claims students. Also, to be entered, are students who are educated in day programs, residential programs, and hospitals.

Between June 15 and June 30, all school districts should review and verify the accuracy of the Tuition Out information through each district's SES. If it is determined that a student has been omitted, contact the district that provided educational services to ensure that they add the student in their Tuition In Billing program.

As you work to complete Tuition In Billings, if you have questions submit those questions to TIB@iowa.gov. If you have questions on other special education finance issues, contact [Bill Roederer](#) or 515.281.7972.

Concurrent Enrollment Supplementary Weighting on the Open Enrolled Student

Before closing out the 2015 fiscal year, remember to bill the resident districts for supplementary weighting dollars generated by open-enrolled-in students taking eligible concurrent enrollment and Project Lead the Way (PLTW) courses offered through the community college during the winter and/or spring (non-fall) terms. The serving district will bill the resident district for the supplementary weighting using the resident district's FY15 district cost per pupil (DCPP). The resident district will find the supplementary weighting for the 2015 non-fall courses on the fall's 2015 Certified Enrollment application. Directions for generating and verifying the supplementary weighting bills are located [here](#).

Additional facts:

- There is no billing of costs incurred for students taking high school, concurrent enrollment, or postsecondary enrollment options (PSEO) courses who are in the public district as:
 - ◊ Competent private instruction (CPI) dual enrolled
 - ◊ Open enrolled and CPI dual enrolled
 - ◊ Independent private instruction (IPI) for concurrent enrollment only
 - ◊ Nonpublic shared time
- The dollars generated were already included in your certified enrollment application (see tab District Courses in Certified Enrollment).
- No parent or student shall be billed for any tuition costs, including any costs that exceed funding generated through certified enrollment and supplementary weighting.
 - A district can only bill the resident district of an open enrolled (1.0) student for tuition, supplementary weighting generated from concurrent enrollment, English Language Learner (ELL or LEP) supplementary weighting, and the teacher leadership district cost per pupil when both the resident and receiving districts are receiving teacher leadership and compensation (TLC) funds.
 - A district can bill a parent (or student if 18 years of age) for the tuition cost of a failed PSEO course, the cost of equipment that becomes the property of the student, or the cost of a school-owned textbook that is not returned.
 - A district cannot bill a parent or student for failed concurrent enrollment courses.

For reference, see Iowa Code 282.18(7), 284.13, and Iowa Administrative Rule, 281-17.10(8).

Contact: [Carla Schimelfenig](#) or 515.242.5612.

Concurrent Enrollment Supplementary Weighting in a Whole Grade Sharing Situation

Supplementary weighting for eligible concurrent enrollment and PLTW courses is generated in the same manner for students involved in a whole grade sharing arrangement as for open enrolled students. The attending district's Student Reporting in Iowa (SRI) data generates the information that shows up in the resident district's certified enrollment. From that point forward, the similarity ends. Iowa Code is silent on the subject of billing a whole grade sharing partner for concurrent enrollment supplementary weighting, which means, it can't be done. The only means of disseminating supplemental funds generated for concurrent enrollment is through the negotiated contract between the partners (Iowa Code 282.10). In a whole grade sharing situation, supplementary weighting generated on resident students remains with the resident district unless some other arrangement has been articulated in the agreement. Options for distributing this supplementary weighting include negotiating a higher per pupil rate for whole grade shared students in grades 9 – 12; having the community college contract directly with the sharing partner for concurrent enrollment courses taken by the sharing partner's resident students, or negotiating tuition for whole grade sharing to be a per pupil rate for all students plus supplementary weighting generated on concurrent enrollment for students included in the whole grade sharing grades. Contact: [Carla Schimelfenig](#) or 515.242.5612.

Supplementary Weighting Generated from Shared Teachers

When two districts agree to share a teacher, only one of the districts will hold the contract. Supplementary weighting is generated on eligible resident students attending classes taught by a teacher employed by another school district when the district does not have a licensed and endorsed teacher available within the school district to teach the course(s) being provided. For example, District A holds the contract. District B buys out a portion of the teacher's contract. District B reports the courses taught by District A's teacher with a course origination code of 11, local district course taught by a non-district teacher. Supplementary weighting is then generated for District B's resident students attending courses taught by District A's teacher. The supplementary weighting generated from the shared teacher is included in the total of all supplementary weighting generated from various sharing arrangements and appears on District B's line 3.9 of the Aid and Levy Worksheet. There is no provision in code for sharing the supplementary weighting between District A and District B. Because Iowa follows Dillon's Rule, a district can only do what Iowa law allows. Therefore, District A and District B cannot enter into an agreement involving a sharing of the additional dollars created through teacher sharing agreements.

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Since there is no legal means to share supplementary weighting dollars generated from sharing a teacher, deciding the district of employment is an important consideration. It is also important to remember the district holding the contract will be responsible for unemployment in the event of a layoff. The district holding the teacher's contract should be better suited to retain the teacher in the event that the sharing arrangement is terminated.

Contact: [Carla Schimelfenig](#) or 515.242.5612.

Teacher Leadership and Compensation (TLC) Grants Coding

Congratulations on receiving the TLC grant for next year. Districts in the first year of the grant should code the source and project for these grants to 3387, Teacher Leadership Grants. The expenditure functions will depend on how the district uses the grant. It is anticipated that at least part of it would be Instructional Staff Support Services and possibly some Instruction, but there may be others also. Look at the district's application, including the estimated budget, to see how the grant will be used, and that will help determine which functions are affected.

Districts entering the second year of the grant in FY16 will receive funding through the State Aid formula. These funds should be coded to Source/Project 3116.

If you have further questions, please contact [Janice Evans](#) or 515.281.4740.

Income Surtax

This is normally paid out in two payments in the months of December and February. This is based on income from the tax year two years previous and from the rates of the previous year's Aid and Levy. For example, FY15's income surtax payments to districts are based on the 2013 income tax year and the FY14 Aid and Levy rates. Be sure to split the income surtax in accordance with the rates from the applicable budget year. On the FY14 Aid and Levy, the Physical Plant and Equipment Levy (PPEL) Income Surtax rate can be found on line 19.4. The General Fund Income Surtax rate can be found on lines 20.1 and 20.2. The Surtax Summary FY15 document on the [State Payment Information FY15](#) webpage (Total Payments tab) breaks out the percentages and dollar amounts between funds.

Contact [Denise Ragias](#) or 515.281.4741 or [Janice Evans](#) or 515.281.4740.

Financial Reporting for Pensions

GASB statements 68 and 71 relating to the Financial Reporting for Pensions, take effect this fiscal year. IPERS will be sending districts the information to be recorded. In anticipation, the following codes have been set up for district use in the Chart of Accounts. These accounts will not be used in governmental funds, but will be used in the entity-wide statements and the proprietary funds. Not all accounts will be used each year. Additional information will be forthcoming from both the Department of Education and the Auditor's office. The Auditor's office will post information on their webpage, [GASB 68 Pensions](#).

- 320 Deferred Outflows of Resources per IPERS (GASB 68, 71) **(Funds 01, 02, Proprietary only) (May15)**
 - 321 Deferred outflows for difference between expected and actual experience per IPERS (May15)
 - 322 Deferred outflows for change in assumptions per IPERS (May15)
 - 323 Deferred outflows for differences between projected and actual earnings per IPERS (May15)
 - 324 Deferred outflows of resources from proportion change per IPERS (May15)
 - 325 Deferred outflows of resources for district/AEA contributions subsequent to the measurement date (May15)
- 630 Deferred Inflows of Resources related to Pensions (GASB 68, 71) **(Funds 01, 02, Proprietary only) (May15)**
 - 631 Deferred inflows for difference between expected and actual experience (May15)
 - 632 Deferred inflows for change in assumptions (May15)
 - 633 Deferred inflows for net difference between projected and actual investment earnings (May15)
 - 634 Deferred inflows of resources from proportion change (May15)
 - 635 Deferred inflows of resources for district/AEA contributions subsequent to the measurement date (May15)

Questions? [Janice Evans](#), 515.281.4740.

Local Source Codes

On the Certified Annual Financial Report (CAR), most state project codes (3xxx) go through a reconciliation process to verify that beginning balances plus revenues minus expenditures equal the reported ending restricted fund balance (for state projects). Local source codes (1112, 1113, 1116, 1118 and 1119) also go through this reconciliation process; however, it is not required that districts record revenue separately for these funds which are built into the State Aid formula. To assist districts in this reconciliation, a table has been posted on the web with the amounts considered as revenue, either through State Aid, modified supplemental amount from the School Budget Review Committee, or local match as required by law. The 2014-2015 Sources for Local Projects table can be found on the [Certified Annual Financial Reports \(CAR\)](#) webpage.

Contact [Denise Ragias](#) or 515.281.4741 or [Janice Evans](#) or 515.281.4740.

FY 2015 COA Test Records

The CAR-2015 Chart of Accounts (COA) Test Records is now available through the [Iowa Education Portal](#). The COA Test Records mirror the CAR Upload and Reports. The COA Test Records allows for both individual account testing (use only Stages 1 and 2 to determine success) and full file account testing. Districts and AEAs are encouraged to begin testing now and fix as many problems as possible so that only matching sources and reconciliation edits are left to deal with over the summer. Messages for districts will be updated on the splash screen as information is known.

Contact [Denise Ragias](#) or 515.281.4741 for assistance with the uploads, edits, and reports.

Contact [Janice Evans](#) or 515.281.4740 for assistance with account codes and journal entries.

Ideas for a Successful End of Year and CAR Process

- Bank reconciliations should be done monthly throughout the year, but if these are not to date, get them caught up. Look at the major sources of income (property taxes and State Aid) and make sure they've been coded properly.
- Look at state and federal grants and get those reconciliations started. If the money hasn't all been spent, talk to the superintendent or project managers, and let them know a balance is remaining and find out what the plans are for this balance.
- In the nutrition fund, make sure state and federal, breakfast, and lunch revenues have been coded properly. Make sure student accounts are in good order.
- Look at fund balances and determine how they should be cleaned up or redefined. Committed and assigned funds should be adjusted if funds were used. Make sure the board has taken formal board action on any new funds that should be committed by June 30.
- Take a look at General Ledger balances to date. Is there anything that shouldn't be there? Are there negative balances? Do the balances look reasonable? Start researching early.
- Upload early! Test the account codes. A district should be able to get through Stage 1 and Stage 2 edits before the end of the year. Research any incorrect coding and negative balances and get those cleaned up early. Many Stage 3 and Stage 4 edits will appear since we are not at year-end yet.

More ideas can be found in the document "Best Practices for a Successful and Timely CAR" located on the [Certified Annual Financial Report](#) webpage of the DE's website. Also on this webpage is a PowerPoint, "How to Use the CAR-COA Upload," walking a user through the upload process, and the CAR Instructions.

Contact [Denise Ragias](#) or 515.281.4741 or [Janice Evans](#) or 515.281.4740.

Annual Transportation Report

In an effort to reduce reporting work for the districts, the Annual Transportation Report will be pre-populated with depreciation information from the Vehicle Information System and financial information from the CAR. This financial information will first be pulled together on a Transportation Report in the CAR for a quick review by the district. The Vehicle Information System must be updated with complete vehicle purchase information by September 1. The Annual Transportation Report is due September 15.

In FY15, the Annual Transportation Report will continue to use source number, 1981, for Fuel Tax Refund, when the refund is not in the same fiscal year as the expenditure. When the refund is received in the same year, it will be shown as net against the expenditures. Contact [Max Christensen](#) or 515.281.4749.

Nonpublic Transportation

Districts must have their nonpublic transportation reimbursement claims filed with the DE by June 15. The application to file the claim can be found on the [Iowa Education Portal](#). More information is available on the webpage [Nonpublic Reimbursement](#). Contact [Max Christensen](#) or 515.281.4749.

School Board Officers

The Department of Education sends financial communications to the CFO/Business Manager(s) and Additional Financial Officer contacts from the information provided in the School Board Officer Application. If your district has a change in personnel, be sure to update the information on the [Iowa Education Portal](#). Questions may be addressed to [Marcia Krieger](#) or 515.281.5293.

District Communication

Much of the communication to superintendents/business managers from the Department is done via e-mail. If you are not planning on being with the district next year, please reply to [Marcia Krieger](#) and let her know. If you know your replacement and their email address, we would appreciate that information as well.

Local Auditor Access to Prior Year LEA Financial Information

In past years, local auditors could go to the DE's EdInfo website to see information on a local school district's prior year revenues from the state. With the implementation of the Portal, EdInfo has really ceased to exist. If the auditor clicks on the link to EdInfo, the following message will be displayed:

Attention Auditors

"For those needing to access LEA payment confirmation data, please click on the Auditor button below and on the following screen enter your login information."

After you click the "Auditor" button, enter FY15 in the "Login ID" and click "Submit". You will see the "Payments to Department of Education Subrecipients" screen. Enter the district's headquarter number or district name and hit the go button.

Title II A – End of the Year Reimbursements

Please send your final Title II A invoices for 2014-2015 to [Isbelia Arzola](#). Submit a cover letter including the total amount requested and a copy of the ledger including finance codes. Requests may also be submitted as an attachment via email to Isbelia.

Upcoming Deadlines	
Nonpublic Transportation Reimbursement Claim Due	6-15-15
Last Day to Pay PSEO Tuition Due to Eligible Postsecondary Institutions	6-30-15
Joint Employment Whole Grade Sharing Applications Due	7-1-14
Last Day to Bill for Second Semester Special Education Tuition	7-15-15