FY2016 CERTIFIED ANNUAL FINANCIAL REPORT (CAR) CHART OF ACCOUNTS (COA) Transmittal over the Internet and Web-Based Reporting School Districts and Area Education Agencies

Due September 15, 2016

Overview

Due Dates

Due date for both the COA upload and the web-based CAR to be submitted electronically over the Internet is September 15, 2016 for all school districts and Area Education Agencies (AEAs). The Special Education Supplement and the Transportation Annual Report, also both due at this time, are reliant on information uploaded into the Certified Annual Report. All three reports should be reviewed for accuracy before certifying any of them.

Administrative officials and board members are responsible for submitting information and materials as requested by the department of education, department of management, any other state agency, or any federal agency. Reports shall be filed electronically if an electronic format is available. (281 IAC 99.2)

If any plan, report, or data collection has not been received by the due date of the form or by the due date of a valid extension granted by the department of education, the following procedure shall be followed:

a. The superintendent of the school district or the administrator of the area education agency, and the president of the applicable board, shall be notified of the unfiled report and the number of days it is past due.
b. The state board of education, the School Budget Review Committee (SBRC), or the Iowa board of educational examiners may be notified of the school districts or AEAs which were not timely in filing one or more reports.
c. The SBRC may implement the procedures described in 289 IAC 6.3(5). (281 IAC 99.2(3))

> SBRC Hearing Procedures 289 IAC 6.3(5) *Failure to appear or to provide information.*
> If any school corporation fails to appear as required by the committee or fails to provide any information requested by the SBRC, including the reports described in paragraph 6.3(3)“e”, the SBRC may direct the director of the department of management to withhold state foundation aid until the school corporation complies with the SBRC’s request. When the school corporation satisfactorily complies with the SBRC request, the withheld state foundation aid will be released and paid to the school corporation with the next regularly scheduled payment of foundation aid.

Extensions

Extensions are available for good cause. Changes to CAR data discovered after filing are reported as auditor’s upward or downward adjustments in the books for the following year unless the Department has granted a specific exception/extension for the district or AEA.

Good cause is defined in 281 IAC 99.3(1). Good cause shall include illness or death of a school district or AEA staff member involved in developing the program plan or submitting the report or data collection, acts of God, technological problems at the department lasting at least seven days within the final two weeks prior to the deadline that prevent access necessary for the plan, report, or data collection submission, or unforeseeable unusual or unique circumstances which, in the opinion of the director of the department, constitute sufficient cause for allowing submission of program plans, reports, or data collections after the published due date. Good cause does not include consequences of local time management or administrative decisions, or when districts and AEAs have timed out or have encountered system overloads within the final three days before the due date.

A school district or AEA desiring permission to submit a program plan, report, or data collection after the published due date shall notify the department staff member responsible for receiving the plan, report, or data collection as soon as possible upon determining that the district or AEA will not be able to meet the deadline, but no sooner than two weeks prior to the due date and no later than two regular working days prior to the due date. When an extension of the submission deadline is allowed, the department shall establish a date by which the school district or AEA shall submit the plan, report, or data collection. Permission to submit a program plan, report, or data collection after the published

due date shall expire upon receipt of the submission by the department and shall not carry over into subsequent application or reporting cycles. (281 IAC 99.3(2))

The appropriate department staff member to notify is Tom Cooley.

Questions

Denise Ragias, 515-281-4741, Denise.Ragias@iowa.gov, for help with uploads and reports.
Janice Evans, 515-281-4740, Janice.Evans@iowa.gov, for help with account codes and journal entries.
Tom Cooley, 515-725-11120, Tom.Cooley@iowa.gov, for extension requests.

Basis of Reporting

- All districts and AEAs are required to report according to the definitions and classifications in the 2009 edition of *Uniform Financial Accounting for Iowa LEAs/AEAs (UFA* manual*)* in each and every fund. This publication is on the Department website and may be found on the Uniform Financial Accounting webpage.
- Districts/AEAs are required by law to be in compliance with Generally Accepted Accounting Principles (GAAP). This requirement applies to all parts on the CAR. All districts and AEAs shall use 60 days for the cut-off period for revenue recognition. The CAR is reported at the fund level prior to any adjusting entries necessary to complete the entity-wide statements for the audit.
- If there is any conflict between GAAP or the UFA manual and the instructions to the CAR, follow the CAR instructions.

Considerations Before Beginning the CAR

- Reconcile the bank statement and accounting records.
- Ensure all funds are in balance.
- Make adjusting entries to close books on a GAAP basis, if the district or AEA operates day-to-day on a cash basis.
- Refer to the sample entries in the "UFA Journal Entries" document on the Uniform Financial Accounting website for help in entering general journal entries related to long-term debt, part B, or Medicaid**.**
- Do not **"**close" fiscal year books until the CAR has been finalized and accepted by the Department.
  - No further changes on that fiscal year's books.
  - Auditor adjustments are made to subsequent year.
- Assemble all materials needed to complete the CAR.

Suggested Timeline

Throughout the Year:

- Check the validity of account codes and upload a file through the COA-Test Chart of Account application found on the Iowa Education Portal.
  - This site does not roll into the current fiscal year's rules until spring.

July 1:

- Reconcile the bank statement and accounting records.
- Do general journal entries, if necessary, to ensure the beginning balances on local records are the same as the Department file on the website for your district or AEA. This is necessary if the district/AEA made changes to its books not required by the Department after the previous CAR was filed or if the district/AEA did not make changes to its books that were required by the Department during the CAR processing.
- Ensure all funds are in balance.

July 15:

- Enter all known accounts receivable and payable, as well as any other known accruals/adjustments, and deferred inflows and outflows. These entries should be made by the district/AEA, NOT its auditor. The CAR/local records may not match to the audit. CAR reporting requirements control the records rather than the audit. If adjustments are necessary for the audit, those are made within the audit rather than the CAR or district/AEA records.

August 15:

- Enter the August property tax payment, as soon as received.
- Review and adjust additional accruals/adjustments, and deferred inflows and outflows.
- Ensure all funds are still in balance.
- Transmit the fiscal CAR once the district is sure there will be no further accruals/adjustments, and deferred inflows and outflows. File and certify no later than September 15.

September 1:
- Contact the Department for an extension if unable to file the CAR by the established deadline, due to good cause.

September 15:
- Last day to file the CAR (COA upload and web-based CAR data collection form) unless an extension is granted.

Materials Needed to Prepare a CAR
- Cumulative attendance records for summer session.
- Iowa School Cash Anticipation Program (ISCAP) statements
    - Final statement for Series B (winter)
    - Final statement for Series A (summer)
    - Additional information about the ISCAP program is available under the Iowa Association of School Boards (IASB)'s ISCAP website. Contact IASB for more information.

General Information
- Report actual numbers—do not estimate, allocate, or prorate.
- Report all expenditures in the correct function and object for the activity performed—DO NOT do any costing on the books or the CAR.
- Use **60 days** for revenue recognition.

Transmitting the COA Upload

Location
Iowa Education Portal

Sign In
Sign in to the Iowa Education Portal by going to the dropdown menu at the "A&A Account" heading. Choose the Sign-In option and enter the Account Id and Password. Options are available on this screen if the Id or Password have been forgotten. In addition, a new user can create an account from this screen. District personnel assigned as the security person can give permission for the availability and use of the various data collections.

Application Menu Screen
Applications are available under the dropdown menu at the "EdInfo" heading (Finance Applications).
- Select the link for the **CAR - 2016 Upload and Reports** to enter into the CAR Data Collection application.
- To leave the CAR Data Collection application and return to the home screen, select the Portal link at the top of the page.

Certified Annual Report (CAR) Data Collection Screen – Home Screen/ District Info Screens
Upon logging in to the application for the first time, the first screen that appears is the "Home" screen listing any messages that are pertinent to the data collection. Click on the various tabs at the top of the screen to move through the application.
Complete the information on the "District Info" screen the first time going through the process and click the "Save**"** button. If the district needs to change its answers a new file must be uploaded, then it can modify and save changes to the "District Info" screen before proceeding to the "Status" screen and going through the stages.
- **Questions:** Answers must be submitted prior to moving through the Edit Stages.
    - The questions are mostly yes-no about the purchase of land and existing buildings, land and building improvements.
    - If the district had a refunding bond, you will be asked to enter the amount defeased.
    - The district must report summer school attendance. Helpful information for counting students follows:
        - Count the summer session in the following fiscal year. For example, count the 2015 summer session on the FY2016 CAR.
        - This is a cumulative count of each student counted to the nearest half-day for the number of days attended. For example, a class has 20 students that meet for a half-day for 15 days. Assuming perfect attendance, the aggregate days present would be 150 (20 x 15 x .5).
        - Average Daily Attendance (ADA) and Average Daily Membership (ADM) are not calculated in summer session.
        - Count all summer school classes for which attendance is taken or credit is given.

- Do not count park and recreation or child care/camp activities.
- Do not count the driving time for driver's education students.
- For regular session alternative education programs and kindergarten, use the student accounting guidance below.
  - ***Regularly scheduled classes.*** A pupil in a summer school program which is part of the total school program and which has a regular time during which the pupil is present under the guidance and instruction of teachers, is counted as present or absent measured to the next nearest half day. For example: a child who attends summer school for three hours per day is considered a half-day student while a student who attends school for five hours per day is considered a full-day student.
  - ***No regularly scheduled classes.*** A pupil in a summer school program which does not have a regular time during which the pupil is present under the guidance and instruction of teachers, is counted as present calculated as the count of the number of days present multiplied by that student's FTE or absent using the count of the number of days absent multiplied by that student's FTE. ***Full time equivalent (FTE)*** Full time equivalent means the proportion that the time for which a student is enrolled or receives instruction bears to the time that full-time pupils, carrying a normal course schedule, in the same school district, for the same school year are enrolled and receive instruction.

- If the district used a Medicaid billing service.
- The CPA firm that will audit this year's CAR.
- The software vendor used for finance.
- Once all questions are answered, click on the "**Save"** button below the questions.

CAR Upload File Screen

Use this page to upload the local CAR Chart of Account (COA) file information to the Department.

- Click the "**Browse"** button to search your computer to find the COA file to be exported and click on the "**Upload"** button.
- ***Be sure the data file being transferred is the CAR output (year-end data) from the software program provided by the district's/AEA's vendor for this purpose and is NOT the program file or any spreadsheet or database file that is not in the correct file format. See the "Chart of Account Upload File Specifications" on the Certified Annual Financial Reports webpage for more information. Contact the vendor if unsure which file to transmit.***

CAR Status Screen and Edits & Warnings Screens

- This page is used to complete different stages of edit checking on the upload file. Click through the four stages starting with Stage 1, allowing each stage to process before proceeding to the next. If the COA file has any edit messages, changes should be made on the local records and a new COA file should be created and uploaded again; you cannot edit the uploaded file online. You must run through all the edit checks in each of the stages and have no edit messages to have a successful file. Some stages take a long time to process. Clicking on the stage button more than once will force the file to go through the stage again and will increase the edit and warning count. Edits and warnings may be repeated on the screen also.
- Click the "**Edits and Warnings**" tab at the top of the screen. Three options appear – Stages 1 & 2 Edits, Stages 3 & 4 Edits, and Warnings. Stage 1 will check for things such as negative numbers that should not be negative, invalid account codes, and header versus detail problems. The form will show edits to be sorted by the various dimensions or edit description. Click the **"**Status**"** tab to continue through stages or click the **"**Upload File**"** tab to upload a new file.
- Correct the records and upload again until Stage 1 says "Complete" on the "**Status"** screen.
- Once Stage 1 has been successfully completed, it is possible to click the subsequent stages to view edit messages in Stages 2 through 4. In addition, if the only Stage 1 edits are negative numbers on the balance sheet, progression to Stage 2 is allowed but eventually Stage 1 edits must be corrected.
- Repeat the process outlined for Stage 1 until each of the remaining stages has been completed.
- Once all edits in all four stages have been corrected, a message will appear stating, "Your file has been uploaded successfully without edits."
- In addition to edit checks, warning messages will also appear. The warning messages may or may not result in a correction needed. Districts/AEAs should research the data applicable to the warning message and correct records if necessary. Districts/AEAs are required to comment on warnings that remain and are not applicable.

If the district/AEA has an edit message or warning that it believes is due to an error in the Department's testing program, contact Denise Ragias, 515-281-4741, denise.ragias@iowa.gov.

CAR Edits Screen (Stages 1 & 2, Stages 3 & 4)

This screen lists the Edit Checks the upload was not able to pass. Stage 1 and Stage 2 edit checks which are attributable to a specific account code can be sorted by any dimension or edit description.
Printing edits and warnings can best be accomplished by copying and pasting into Excel.

CAR Warnings Screen

This screen lists Warning messages. Warning messages may or may not result in a correction needed and do not need to be cleared to certify the CAR. Districts/AEAs should research the warning to determine whether it is applicable to their district, and make changes to its records if necessary. Districts/AEAs are required to comment on warnings that are not applicable. To comment, click on the "**Edit Warning**" button, enter notes, and then select the "**Submit**" button. A district/AEA will not be able to certify until a comment has been entered for each remaining warning listed. Stating that changes will be made in the subsequent fiscal year are not acceptable.

Reports Screen

- This screen lists various reports available to the district/AEA. The static reports plus the CAR web-based report constitute the CAR that will be given to the auditor for audit.
- The Static Reports Include:
    - Treasurer Report by Fund
    - Balance Sheet by Fund
    - Revenues by Fund, by Source
    - Expenditures by Fund, by Function, by Object
    - Transportation Report
    - Miscellaneous Income and Actual Expenditure (GAAP basis)
    - Budget Crosswalk
    - Balance Sheet by Long-term Governmental Account Group
    - Create Your Own Report
- Static reports and queries are created from the data included in the imported CAR COA file and cannot be edited.
- In the query option, the district/AEA may select the dimensions and subtotal levels to create reports from the imported data.
- If the district/AEA is not satisfied with the accuracy of the static reports/queries, it may correct its records and upload the corrected file to go through the process again. This can be repeated as many times as necessary to obtain accurate static reports as long as the entire process is completed by the due date.
- Create Your Own Report is a useful query tool to gather data by a user's own specification. Clicking on any **field name** will give all the code values and descriptions.
    - The **operator** field has a drop-down menu of "=" equal to; ">" greater than; "<" less than; ">=" greater than or equal to; "<=" less than or equal to; "between", which is inclusive of the parameters; and "or".
    - In the **Data Value 1** field (third column), enter the parameter in the equation, as in "= 3200".
    - In the **Data Value 2** field (fourth column), enter the parameter if a second variable is needed, as in "between 3200 and 3299".
    - In the **Subtotal by** field, enter the number **"1"** for the first subtotal or grouping, the number **"2"** for the second subtotal or grouping, etc.
    - The fiscal year is by default set for "= current year", subtotal "1", but can be changed.
    - Click on **"Create report"** once all values have been entered. In the report that is created, you may choose to have a heading repeated every so many lines by putting a number into the statement, "Repeat Column Headings Every ___ lines" and clicking on "Go". You may "Click on an amount to view detail records. You may click on "**Back to Report"** and then click on **"Back to Selection Criteria"** to start over.
- Review the reports carefully before certifying. Information from the CAR flows into the Special Education Supplement and the Transportation Annual Report, which are also due on September 15th and the Facilities, Elections, and Sales Tax Report due on September 30th. Changes to the CAR may not be made after certification.

Web-based CAR Reports

- The only remaining web-based CAR report is the Nonprofit School Organizations Report. If this report is not applicable to the district/AEA, the update button within the report must be clicked on to record 0.00 in each line. **The Certification button will not appear until this report is completed and updated, in addition to an edit-**

free file and comments on all remaining warnings. See specific instructions for the Nonprofit School Organizations Report below.

Certified Annual Report (CAR) Data Collection Screen – Certification

- This is the final step in the CAR reporting process and must be completed no later than September 15th following the fiscal year. Again, see the Overview information at the top of these instructions related to withholding of state aid for late filing.
- The certification button will not appear until the following steps are completed: fill-in questions on the Status page have been answered, all stages of the upload are complete and edit free, all warning edits include comments for the reason the warning is not applicable, and the Nonprofit School Organizations report has been completed or updated if it is not applicable to the district. **You must return to this screen and certify when finished with the CAR.**

Web-Based Report - Nonprofit School Organizations

Pursuant to Iowa Code 279.62, report the financial information requested for those nonprofit school organizations meeting the criteria listed below. If the district has more than one such entity/organization, the district will include all of those entities and organizations on one form. The entities or organizations could be established before, on, or after July 1, 2005.

Criteria

Entities or organizations whose financial activity must be reported are those that meet all of the following criteria.

1. Established by the board of the school district, whether in conjunction with other entities/organizations/ governments or acting alone.
2. Established for the sole benefit of the school district and its students.
3. Exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

Using the same reporting period as the district's fiscal year, report the nonprofit school organization's financial activity on a GAAP basis. These entities are separate legal entities with their own federal ID numbers and are not included in the district's books or CAR COA upload unless in an agency fund, regardless of how they are reported in the audit.

If the criteria are not met, a district must still go into the report and click on the update button to register the zeroes.

Rows 1 through 5 include all revenue and other financing sources of the nonprofit school entities/ organizations.

Row 1. Enter the investment income revenue for the nonprofit school organizations.
Row 2. Enter the contributions and donations received by the nonprofit school organizations.
Row 3. Enter the revenues from fund raisers conducted by the nonprofit school organizations.
Row 4. Enter any other type of revenue or financing source to the nonprofit school organizations. This might include grants, annuities, bequests, or any other type of revenue not included on rows 1, 2, or 3.

Rows 6 through 17 include all expenditures and other financing uses of the nonprofit school entities/ organizations.

Row 6. Enter the total tuition payments or scholarships expended.
Row 7. Enter the total amount of contributions the nonprofit school organizations gave to the school district or expended on behalf of the school district for school-sponsored student activities.
Row 8. Enter the total amount of contributions the nonprofit school organizations gave to the school district or expended on behalf of the school district for school-sponsored student athletics.
Row 9. Enter the total amount of contributions the nonprofit school organizations gave to the school district or expended on behalf of the school district for student clubs or organizations.
Row 10. Enter the total amount of contributions the nonprofit school organizations gave to the school district or expended on behalf of the school district for student support services.
Row 11. Enter the total amount of contributions the nonprofit school organizations gave to the school district or expended on behalf of the school district for staff support services.

Row 12. Enter the total amount that the nonprofit school organizations reimbursed to the school district for administrative and operational support costs the district incurred on behalf of the nonprofit school organizations.
Row 13. Enter the total amount of other administrative costs in the nonprofit school organizations not included in row 12.
Row 14. Enter the total cost for operations & maintenance in the nonprofit school organizations not included in another row.
Row 15. Enter the total cost of facility acquisition and construction in the nonprofit school organizations.
Row 16. Enter the total amount of any other expenditures/expenses or other financing uses in the nonprofit school organizations not included on rows 6 through 15.

Rows 18 through 20 report fund balance and changes to fund balance for the nonprofit school organizations.

Row 18. The July 1 beginning fund balance in the nonprofit school organizations is pre-populated with last year's ending unexpended balance.
Row 19. Will be calculated within the data collection program.
Row 20. Enter the total ending fund balances in the nonprofit school organizations on June 30.

Final Steps

- Compare the current year's submission with similar data for the previous year. Large differences may indicate an error.
- Have an independent person review the CAR. This review should include comparing the entries to the original documents, determining that all funds handled by the district/AEA have been reported, and that all instructions and UFA regulations have been followed.
- The certification and contact information for the CAR COA upload and CAR-web-based data collection is included on the Certification page. After entering the contact information, click the "**Update"** button to save the contact information. This is the final step in the CAR reporting process and must be completed no later than September 15 following the fiscal year end. Again, see the "Overview" information at the top of these instructions related to extensions for good cause.
- Once the data have been certified, data can no longer be changed. Data will, however, still be browsable.

State and Federal Response

- LEAs/AEAs are responsible for timeliness and data quality and for responding to questions raised by Department of Education staff or the auditors. Personnel at the Iowa Department of Education perform edit procedures on each LEA's/AEA's Certified Annual Report to check for internal and longitudinal consistency. Questionable entries may be referred to the LEA/AEA for verification or correction.
- Federal and state law require the CAR to be audited. The CAR is audited during the annual audit of the LEA/AEA by an independent or state auditor. The auditor includes in the audit comments information regarding the accuracy and timeliness of the CAR filing.
- A printed copy of the final CAR should be retained permanently. The supporting worksheets should be retained for at least five years after approved audit.