



School Business Alert

February 2018

INSIDE THIS ISSUE

- ❖ [February 2018 Income Surtax Payments](#)
- ❖ [State Allocations and Selected Federal Allocations](#)
- ❖ [State of Iowa Master Agreements](#)
- ❖ [Special Education Reminders](#)
- ❖ [Data for FY18 Certified Annual Financial Report](#)
- ❖ [Technology Related Hardware Purchases](#)
- ❖ [Teacher Leadership and Compensation Budgeting and Coding](#)
- ❖ [Iowa School Business Management Academy](#)

FINANCIAL

February 2018 Income Surtax Payments

Message from the Department of Management:

The February 2018 income surtax payment is the second and final income surtax payment for the 2016 income tax year. The payment represents one-quarter of the amount of income surtaxes collected for your district, plus or minus any adjustments made by the Department of Revenue.

This payment is based upon the income surtax rates established for your **2016-2017 budget**. If you didn't have a surtax for the Physical Plant and Equipment (PPEL) Fund, the entire payment should be credited to your General Fund. On the other hand, if you had both General Fund and PPEL surtax, then split the income surtax in accordance with the rates. The PPEL Income Surtax rate can be found on line 19.4 of the Aid and Levy Worksheet. The General Fund income surtax rates can be found on lines 10.15 and 11.4.

Here is the [link](#) for the payment by fund.

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 [2017-2018 allocation summaries](#).

GENERAL INFORMATION

State of Iowa Master Agreements

Many of you are already aware that school districts and area education agencies may purchase goods and services through master agreements negotiated by the Iowa Department of Administrative Services (DAS). A wide variety of goods and services are available at rates that are already negotiated. Items range from copy paper to automobiles. Purchases from master agreements do not require a competitive bid process. The link to the DAS procurement website can be found [here](#).

Special Education Reminders

Special Education Foster Care Claims

“Foster Care” is used as the title for this claim, but this could be misleading to school districts. It does not mean 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 Individualized Education Program (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 any one of these items is 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, if any, 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 exceeds the funds generated by the resident district for counting the student on its special education count (billed to the resident district if you are not the resident district) and those funds generated by your district by 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 local education agency (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 by the state from a set-aside portion of IDEA Part B. 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 funds of the district must be signed by the board president. 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](#), 515-281-7972.

Data for FY18 Certified Annual Financial Report

Two documents have been updated for FY18 and posted to the Department's website. The 2017-2018 District AEA Flowthrough Amounts and the 2017-2018 Sources for Local Projects documents are available under the heading "Data Used to File FY18 CAR" on the [Certified Annual Financial Reports](#) (CAR) webpage. For further information, contact [Denise Ragias](#), 515-281-4741.

Technology Related Hardware Purchases

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When purchasing technology related hardware and software for the district, please note that items used in the classroom should be coded to Function 1xxx, whereas items purchased for lab purposes should be coded to Function 223x. Computer centers (labs) that are primarily dedicated to instruction, e.g., teachers leading the classroom in computer-aided lessons, should be coded to instruction. Please be aware of this for budgeting and coding purchases, particularly 1:1 initiative purchases which are instructional in nature. The description of Function 223x is below.

2230 Instruction-Related Technology. This function category encompasses all technology activities and services for the purpose of supporting instruction. These activities include expenditures for internal technology support as well as support provided by external vendors using operating funds. These activities include costs associated with the administration and supervision of technology personnel, systems planning and analysis, systems application development, systems operations, network support services, hardware maintenance and support services, and other technology-related costs that relate to the support of instructional activities. Specifically, costs associated with the operation and support of computer learning labs, media center computer labs, instructional technology centers, instructional networks, and similar operations should be captured in this code. Technology used by students in the classroom or that have a student instruction focus should be coded to 1000. (Used with all programs 100–900.)

It should be noted that E-Rate is not specifically addressed with the accounting codes for technology as GASB has not issued applicable accounting and financial reporting guidance. Refer to chapter 5 of the Uniform Financial Accounting Manual for a broader discussion of E-Rate.

Student Computer Centers. Activities concerned with supporting and maintaining computer centers (outside the classroom) that are established to support the instructional environment. These centers may be located in the library or in other locations but are not primarily dedicated to student-teacher learning. Computer centers that are primarily dedicated to instruction should be coded to instruction.

Technology Service Supervision and Administration. Activities concerned with directing, managing, and supervising data-processing services.

Systems Analysis and Planning. Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data-processing procedures or application to electronic data processing equipment.

Systems Application Development. Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

Systems Operations. Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data-processing machines.

Network Support. Services that support the networks used for instruction-related activities.

Hardware Maintenance and Support.

Professional Development for Instruction-Focused Technology Personnel. Costs that are incurred when staff acquire knowledge and skills to support instructional technologies. Technology training for instructional staff should be reported in function 2213 (instructional staff training).

Questions contact [Janice Evans](#), 515-281-4740 or [Denise Ragias](#), 515-281-4741.

Teacher Leadership and Compensation Budgeting and Coding

All districts receive the Teacher Leadership and Compensation (TLC) funding through state aid in FY18 and will include that revenue on Row 10, State Foundation Aid, on their budget. Use source and project 3116, Teacher Leadership State Aid to record this revenue and related expenditures.

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 221x). 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 intended use of the grant; that will help determine which functions are appropriate. Any funds remaining in project 3387, Teacher Leadership Grants should be expended before project 3116 funds.

For further questions, please contact [Janice Evans](#), 515-281-4740.

Iowa School Business Management Academy

The Iowa School Business Management Academy will hold its Spring Academy on April 25-27, 2018, in the Scheman Building at the Iowa State Center in Ames. Sessions for Levels I-IV will be held over the three days, with the Graduate Level sessions held on April 26 and 27. Online registration will begin at 7 a.m. on Friday, March 9.

UPCOMING DEADLINES

Due Date

What's Due

March 31	Last date to submit LEA and AEA electronic annual audit of prior year to the Department and Auditor of State's Office
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[Click](#) to access current and past issues of the School Leader Update.

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If you have suggestions for future SBA articles,
please submit to [Marcia Krieger](#).

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