



# School Business

## Alert

July 2016

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### FINANCIAL

#### Department of Education Preschool Staffing

Iowa Code 256C.5(4) grants the Department 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.

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. See [FY16 Preschool Funding](#) for preschool amounts per district.

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

#### August Property Tax Receipts

August property tax receipts are not all related to the prior year. Districts need to evaluate what should be accrued as taxes receivable and as FY16 revenues, and what should be FY17 revenues. Delinquent property taxes received in August are accrued to FY16. Current mobile home (unless noted as delinquent) and Ag land taxes received in August are FY17 revenues.

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

## FY16 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; however, the Department is mandated to pay FY16 expenses by the end of August. The only way we can accomplish this is to have you bill us for reimbursement. Please review any grants or contracts you have with the Department, 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, Perkins, and vocational education reimbursement 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, 2016. If you haven't yet completed that billing, please do so ASAP.

Good luck in FY17 and please keep those comments and questions coming to [Jeff Berger](#), 515.281.3968.

## Financial Reporting for Pensions (GASB 68 Update)

Many districts and auditors will soon be working through the GASB 68 entries relating to IPERS. Districts will only include entries in Fund 09 and Proprietary Funds on the FY16 Certified Annual Report. We found last year that pension expense may be positive or negative after GASB 68 entries have been made in the enterprise funds. Because of this, we assigned object 233, "GASB 68 Pension Expense" for GASB 68 entries related to pension expense and allowed negative amounts in this object.

Fund 09 will report the governmental funds share of the net pension liability and debit account 304, amount to be provided for retirement of governmental long-term debt and credit account 593, Net Pension Liability.

See the [State Auditor's Office](#) website for information regarding GASB 68.

Contact [Janice Evans](#), 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.

If you have further questions, please contact [Carla Schimelfenig](#), 515.242.5612.

## MEDICAID

### 2015-2016 Revenue

During FY16, Iowa's local education agencies (LEAs) were paid \$102,418,827 and retained, following payback of the state share, \$56,287,958; Iowa's area education agencies (AEAs) were paid \$92,637, retaining \$50,874 for Individuals with Disabilities Education Act (IDEA) Part B services; and Iowa's Infant Toddler IDEA Part C providers were paid \$375,702, retaining \$206,330. In total, Iowa's IDEA Medicaid programs retained \$56,545,161, up 1.1 percent from FY15. That increase is despite the retained federal share dropping 0.63 percent in October 2015.

### 2016-2017 Rates

FY17 rates for Iowa's LEA, AEA, and Infant Toddler Medicaid Programs have been posted on the [Medicaid page](#) of the Department's website. FY17 rates are for service dates July 1, 2016, to June 30, 2017.

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

# CERTIFIED ANNUAL REPORT

## Certifying the CAR

Completing the Certified Annual Report (CAR) 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 Education Supplement (SES) and the Annual Transportation Report (ATR) 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. Research any large variance if an explanation does not come to mind.
- Revenues and Expenditures
  - ❖ Same as above. Compare to prior year and research large unusual variances.
- Miscellaneous Income and Expenditure Report
  - ❖ Same as above. Compare to prior year and 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
  - ❖ For funds 8 and 9, start with the audit report. Be sure the district starts 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](#), 515.281.4741.

## Printing of the CAR in the Iowa Education Portal

Printing directly from the Iowa Education Portal (EdPortal) may not work well when in the Chart of Accounts (COA) or CAR. To print edits or warnings:

- Format an Excel spreadsheet to "Text"
- Select the edits/warnings and the header, copy and paste into excel
- For ease of use, go to View/Freeze Panes to freeze the header row
- Widen and wrap the column with the edit description
- Go to "Page Layout/Print Titles" to repeat the header row when printing
- Print preview and adjust size as needed

To print reports:

- in Mozilla Firefox, right click on the mouse choosing "This Frame," then "Print Frame"
- in Microsoft Internet Explorer, right click and if "print" is available, select it
- in Google Chrome, select all (Control + A), then right click "print."

If you have further questions, please contact [Denise Ragias](#), 515.281.4741.

## Creating a Report for Categorical Funding

To generate a report for categorical funding, go to the CAR, select View Reports, then Create Your Own Report.

- ❖ Fiscal Year - Choose a time period; the COA-CAR reporting 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,” use Data Value 1 only for the year.
- ❖ Account ID - place a “2” in the last column, (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 (e.g., 7-Equity/Fund Balance; 8-Revenues; 9-Expenditures). Clicking on an amount will open the account code detail.
- ❖ The resulting screen will show the Fund Balance (Account ID 7) 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 Department adjustment, this adjustment will not pull into the Create Your Own Report.

Contact [Denise Ragias](#), 515.281.4741.

## APPLICATIONS

### Tuition-In Billing: Timeline Update

Throughout the school year, districts enter students into the Tuition-In Billing Program and submit bills to other districts. The guidance previously provided by the Department was to ensure from June 1 to June 15 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 for these services, will appear on your district’s SES Home Page. Between June 15 and June 30, districts were asked to verify the accuracy of the Tuition-Out portion of the Home Page. If errors were noted, you were to contact the other district and work out any issue, with the overall goal being to ensure the correct district was billed and 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 the Tuition-In Billing Program, please do so 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 9 ensuring that this information is accurate, click the Certify button on Screen 9 then print or email the 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 Department 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 all claims be accurately entered prior to this date.

Throughout the [Tuition-In Billing Program](#) and the [SES](#) are places where you can enter and email questions. Your questions will be reviewed and answered as quickly as possible. Please make use of this tool.

### AEA Juvenile Home Claims

The Juvenile Home Ed Claim application is open to AEAs for completion and certification by August 1, 2016. The application can be found on the EdPortal. The instructions are posted on the web at [Budgets, Area Education Agencies](#). Please remember this claim is for regular education students only. Out-of-state students and students served pursuant to

an Individualized Education Program (IEP) would be billed to their district of residence. Also, do not include the average daily membership (ADM) of students for whom the AEA is paid tuition.

Contact [Denise Ragias](#), 515.281.4741.

## Whole-Grade Sharing Supplementary Weighting

The Reorganization Progress Report is now available on EdPortal for districts that wish to qualify for Year 2 or Year 3 supplementary weighting for whole-grade sharing and that have passed a resolution to study reorganization with partner districts. The application is due August 1. For districts in a whole grade sharing arrangement that wish to receive year 1 whole grade sharing supplementary weighting, your district's board-approved resolution to study reorganization must be submitted to Carla Schimelfenig by October 1.

If you have any questions, contact [Carla Schimelfenig](#), 515.242.5612.

## Regular Education Foster Care Claim

The Regular Education Foster Care Claim will be available soon for districts to certify. All individuals with access to the Foster Care Claim application in EdPortal will receive an email once the application is available. The claims are generated from the fall 2015 and spring 2016 Student Reporting in Iowa (SRI) submissions. This year's application includes:

- Regular education students who were in foster care (under the responsibility and care of the Department of Human Services) and living in your district only because of the foster care placement
- Resident students who were in a psychiatric medical institute for children (PMIC) placement and NOT included in your district's fall 2015 certified enrollment count, regardless of who placed the student in the facility.

The only tasks required from a district are to verify the students and certify. Certification is required only if your district is eligible to receive a reimbursement. Reimbursements are based on the excess days your district served regular education students in foster care above days funded on regular education foster care students in the fall 2015 certified enrollment count. Calculations are based on the number of days of school during the 2015-2016 school year for each school in your district as reported through SRI. You will receive an email from Carla Schimelfenig once the application is available. Due date for certifying Regular Education Foster Care Claim is August 1.

If you have any questions, contact [Carla Schimelfenig](#), 515.242.5612.

# SCHOOL TRANSPORTATION

## Fall Inspection Schedules

The fall 2016 school bus inspection schedules have been posted to the Department's [website](#).

## Bus Driver Physicals

Just a reminder that 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](#), includes a map showing the location of all certified medical examiners within the state of Iowa and across the nation. Also, remember that all school bus driver authorizations must be updated and renewed by August 15.

If you have any questions, please contact [Max Christensen](#), 515.281.4749.

## Nonpublic Transportation Reimbursement - Accounting

Reimbursement requests must be collected twice per year by the districts. Following is the accounting for the various scenarios a district could encounter. Keep in mind, 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	Amount
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	Amount
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	Amount
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	Amount
Debit	9	10	xxxx	27xx	51x	3221	951		
Credit	9	10	xxxx	27xx	000	0000	951		421

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

## GENERAL INFORMATION

### Lisa Oakley Retires

Special note from Jeff Berger . . . This note is a bit more on the staff editorial side rather than the usual information or guidance. I'm a big Lisa Oakley fan and I will miss her. I appreciate everything she's done for me, the Department, the education system, and the state of Iowa over the years. Lisa helped me tremendously when I entered my current position. True to her nature, she was patient with me as I learned and was always willing to help. Over the years, she has been a quiet leader, choosing competence and collaboration as a way to move work forward, something I think many of you appreciated. We are happy for her as she successfully closes this chapter in her life. Some of us may even be a bit jealous! Happy trails, Lisa; enjoy yourself and thanks for everything!

Lisa's replacement, John Parker, is also a great guy who comes into the position with a good foundation for the work. I've worked with John for several years in the Legislative Services Agency (LSA) and can tell you that you will enjoy having him in this position. John worked for LSA for almost five years, supporting the Education Appropriation Budget Subcommittee, managing school finance issues, and using maps to display various state datasets. John hopes to bring mapping and spatial analysis experience to the position. I look forward to collaborating with John in the same way as we collaborated with Lisa.

### School Board Officers

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

## UPCOMING DEADLINES

Due Date	What's Due
July 15	Last Day to Bill for Second Semester Special Education Tuition
July 15	Last Day to Bill for Second Semester Tuition
August 1	Foster Care Claim Certification Deadline (Certification Required for Acceptance of Funds)
August 1	Progress Report Toward Reorganization Due to Department/SBRC
August 1	Special Education Claims Due—Foster Care Claim, District Court Placed, Nonpublic, High Cost
August 1	Juvenile Home Program Claim Due (AEAs only)

[Click](#) to access current and past issues of the School Leader Update.

[Click](#) to access current and past issues of the School Business Alert.

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

# IOWA DEPARTMENT OF EDUCATION

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