



# School Business Alert

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

## At-Risk/Dropout Application – Important Update

The new At-Risk/Dropout Application is scheduled to open statewide on the [Iowa Education Portal](#) Friday, January 15. The following are important informational items regarding the application.

- All districts must complete and submit an application. This holds true regardless of whether the district intends to request modified supplemental amount (MSA). Because the uses of each of these funds were unified last legislative session, the need to report on uses of both funds is necessary to ensure the intended uses of both categorical funds are allowable and for services comprising the district's approved program. The application has been simplified, so we believe this will be manageable.
- The tentative due date for initial submission is Friday, February 5, with initial Department review and response to the district by Wednesday, February 24.
- For this year, given the tight time frame for the application, board approval of the request for MSA will not be required prior to submitting the application. Board approval will be needed (and minutes submitted) before the Department completes its final approval of the application by March 9.

For reference, last year's application will also be available through the Iowa Education Portal ("Modified Supplemental Amount-Dr Prev State"). The previous application will need to be accessed separately; it is not connected to the new one.

Questions regarding the application can be directed to [Steve Crew](#) (515.326.1029) or [Tom Cooley](#) (515.725.1120).

## Explanation of January 2016 Juvenile Home and Other Deductions from State Payments to School Districts

A deduction is being made 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, mental health institutes, other licensed juvenile and foster care facilities or special education costs for foster care children with no resident district and 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. Go to the [State Payment Information FY16](#) screen for an updated breakdown of categorical funding.

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

### Inside This Issue

- ◇ At-Risk/Dropout Application
- ◇ Explanation of January 2016 Juvenile Home and Other Deductions from State Payments to School Districts
- ◇ 2016 Legislative Session Begins
- ◇ Delinquent Meal Accounts
- ◇ Open Enrollment Transportation Assistance
- ◇ Medicaid
- ◇ Accessing FY15 Financial Information
- ◇ Iowa School Business Management Academy
- ◇ Coding Corner

## 2016 Legislative Session Begins

The 2016 legislative session began Monday, January 11, 2016. There are various resources available to 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.

## Delinquent Meal Accounts

The Department has been asked numerous questions regarding how to account for delinquent meal accounts. The AICPA Audit and Accounting Guide, Audits of State and Local Governments (AAG-SLV) section 6.15 indicates that all receivables should be measured net of estimated uncollectible amounts. Charges for uncollectible revenues should reduce revenues, deferred revenues, or the allowance for uncollectible revenues, as applicable; charges for uncollectible revenues should not be reported as expenses. This is discussed further in Governmental Accounting Standards Board Statements 33 and 34.

Statement 34, Paragraph 100, Footnote 41. "Revenues should be reported net of discounts and allowances with the discount or allowance amount parenthetically disclosed on the face of the statement or in a note to the financial statements. Alternatively, revenues may be reported gross with the related discounts and allowances reported directly beneath the revenue amount."

Annually, districts should estimate the amount of uncollectible accounts receivable which have been reported as revenue and adjust the contra account, Allowance for uncollectible accounts receivable (Account 154) to the estimated amount. If the balance in Account 154 is less than the revised estimate for uncollectible accounts receivable, debit the revenue and credit account 154. If the balance in Account 154 is more than the revised estimate, debit account 154 and credit the revenue.

If any of the receivables (account 153) are definitely uncollectible, they are written off by crediting the receivable and debiting the allowance account to remove both the receivable and the uncollectible account.

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

### **Open Enrollment Transportation Assistance for 2015-2016**

The transportation reimbursement for the 2015-2016 school year for qualifying open enrolled families is \$487. Transportation assistance is only available to families who 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 students with an IEP requiring transportation, resident district pays as special education cost and is not deducted from the actual tuition costs. If the application for transportation assistance is filed after the beginning of the school year, the cost of providing the transportation should be prorated. 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. Provide transportation for the pupil(s) to a stop on the bus line of the receiving district;
2. 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 \$487 per child each year for up to four children in a 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](#) on the Department's website. For additional information, contact [Eric Heitz](#) or 515.281.4726.

### **Medicaid**

#### Reminder to Double-Check Billing of Dates of Service During Late December 2015 and Early January 2016

It is important to double-check that dates of service being billed were definitely dates when school was in session. For example, there should be no billing during holiday breaks, or when school was cancelled due to weather or other reasons. If billing for services provided by another district who is serving your student, make sure 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 2014-2015 year, and have yet to report that information, please contact the Department with the hours and dollars paid for these individuals.

#### Rate Setting for 2016-2017

Some districts have been contacted to clarify employee cost information on Screen 6, section 6D of the 2014-2015 Special Education Supplement (SES). These employee costs are the basis for Iowa Medicaid Enterprise setting 2016-2017 rates.

#### Consider a 2016 New Year's Resolution to Start Billing

Sixty-one of 78 local education agencies (LEAs) that did not bill Medicaid in FY15 ended FY15 with a special education deficit. Is your district one of the 78 LEAs that did not bill Medicaid? For districts that had a special education deficit, Medicaid funding would have reduced dollar-for-dollar the need for additional property taxes to support the special education program. For districts that had a special education positive balance, the positive balance would have increased. If a positive balance increases to an amount in excess of the allowable carryover, the excess 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.

### Accessing FY15 Financial Information

Be reminded that your local auditors can access all FY15 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 FY15 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.

### SAVE THE DATE!

The Iowa School Business Management Academy will be holding its **Spring Academy** in April 27-29, 2016, in the Scheman Building at the ISU Center in Ames. Sessions for Levels I-IV will be held over the three days, with the Graduate Level sessions held on April 28 & 29. Online [registration](#) will begin on Friday, March 11.

### Coding Corner

The School Finance Team noticed numerous instances, where the program and project used for special education conflicted. For example, project 3301, level I was used with program 214, level II or program 217, level III, or program 219, unallocated. The following edits will be added to the CAR 2016 COA Test Records and CAR 2016 Upload and Reports applications.

- Project 3301 is used with Programs 211-212, 241-242.
- Project 3302 is used with Programs 214-215, 224-225, 234-235, 244-245.
- Project 3303 is used with Programs 217-218, 227-228, 237-238, 247-248.

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

### Upcoming Deadlines

Last Date to Request Authority to Charge Administrative Costs to Special Education for the Subsequent Fiscal Year	2-1-16
At-Risk/Dropout Application	2-5-16
AEA Certified Budget Deadline	2-10-16
Exhibits and Requests for SBRC for March 16, 2016, Hearing Deadline	2-12-16
Last Day to Bill for First Semester Tuition	2-15-16