



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

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

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

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

2015-2016 Mentoring and Induction Funding

As you all know, the beginning teacher mentoring and induction funds districts are receiving this year had to be prorated due to the demand exceeding the appropriation. The Department of Education (Department) is in the process of sending the 2nd semester payment and the final proration amount for the full year is 84.49 percent. The first semester payment was prorated at 81.1 percent, which was based on an estimate. The 2nd semester payment is based on actuals using information the district provided in BEDS. From BEDS, we added both semesters, determined the request by district, determined the proration amount, then subtracted off the first semester payment, which left us with the 2nd semester amount. This payment completely depletes the fund for the year, so there is no ability to do further corrections other than situations where an over claim was made and funding is returned.

We've received questions about what to do in a prorated situation, given that the prorated per teacher allocation is \$1098.37 versus the full \$1300 in the statute. Please remember the \$1300 allocation was \$1000 for the mentor and \$300 for the district to cover costs of the program. The Department is on record strongly encouraging districts to continue to pay mentors the full \$1000, despite the proration, but also understand that this is a local district decision and there may be agreements in place that will dictate other considerations.

Funding for FY17 was not increased, so we will be in the same position next year – proration of funds is likely unless the demand for funds (numbers of new teachers) significantly decreases.

Questions, contact [Jeff Berger](#), 515.281.3968.

Title I, Part A Budgets; CAR Reporting and Related Issues

As the Department has said or included in presentations recently, we now have the capability to compare CAR reporting of expenditures related to Title I, Part A with budgets submitted in the Title I, Part A application. In our initial review this past year, we found 50 or so districts where the CAR expenditures did not match the Title I, Part A budgets in the system. The dilemma in this situation on the Department side of the issue is that the Title I, Part A budget is a plan to spend for the given fiscal year. CAR reporting and Title I, Part A budgets should reconcile. There were some common themes to why these situations existed, but the primary reason was a lack of coordination between the person entering information into the Title I, Part A application and the person(s) completing the CAR. In most cases, we were able to work with districts to modify prior year budgets and to create carry-forward budgets

Inside This Issue

- ◇ 2015-2016 Mentoring and Induction Funding
- ◇ Title I, Part A Budgets, CAR Reporting and Related Issues
- ◇ Finalizing Title I Budgets for 2015-2016
- ◇ PMIC, Parental Placement, and Tuition
- ◇ Foster Care Claim Expansion
- ◇ Reporting Nonprogram Food Costs Webinar
- ◇ FY16 Chart of Accounts Test Records
- ◇ Medicaid
- ◇ Nonpublic Transportation Reimbursement Application
- ◇ Uniform Financial Accounting Manual
- ◇ Indirect Cost Rates
- ◇ Title II, Part A—End of the Year Reimbursements
- ◇ Perkins Consortium Accounting
- ◇ District Communication

Continued from page 1

that would reconcile differences between the numbers in both systems. In about 10 cases, this reconciliation was not possible and districts were required to return fund balances that were not spent according to the Title I, Part A budget submitted. In some cases, these unspent funds were a result of years of accumulation (translation: years of lack of coordination between Title I, Part A budgets and Certified Annual Report [CAR]).

Another issue that arose in this conversation was a discussion about Title I, Part A being on a cash basis versus a modified accrual basis. GAAP provisions require districts to use accruals. This requirement transcends individual program guidance. If you are calculating your accruals properly (and this should be known in June), those accruals were included in the Title I, Part A application budget submitted for that given fiscal year. Moving forward, the Title I, Part A application will occur in May and June rather than the fall in an effort to pin down your annual Title I, Part A allocation earlier. Please ensure that your accruals for Title I, Part A are included in whatever is submitted for your Title I, Part A budget for the upcoming fiscal year. In the end, the key is not really cash versus accrual basis; the key is that your Title I, Part A application budgets and CAR expenditure reporting on Title I, Part A reconcile.

Also, please remember all employees paid out of federal funds must document employee time and effort in accordance with OMB Super Circular. 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 [Jeff Berger](#), 515.281.3968, for further information.

Finalizing Title I Budgets for 2015-2016

It is that time of year for the school business official and the Title I coordinator to work together to finalize Title I budget/s for the 2015-2016 school year. All budgets (general, carryover, migrant, School in Need of Assistance [SINA], local delinquent, and School Improvement Grant [SIG]) must be finalized with all expenditures through June 30 no later than July 15. The expenditures reported on the Title I budgets must match the amounts your district will be submitting in September on the CAR.

Before finalizing any budget (general, carryover, migrant, SINA, local delinquent, and SIG), 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.
- Ensure all costs approved on the Title I budget have been expended before finalizing expenditures.
- Verify before finalizing the budget, that all three of these conditions are 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) district expenditures do not exceed the approved budget amount in any particular category.

If the three conditions listed above are not true, the district must amend the appropriate Title I budget before finalizing expenditures. Refer to section "General Budget Local & Neglected" in the Title I Reference Manual for guidance on the amendment process. The recommended due date for amendments is June 1, 2016. Don't forget, after you amend, you will need to go back into the budget and finalize it.

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 Department's [website](#) under Title I, Part A. 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 Title I Coordinator and 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 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.

Continued from page 2

The district is required to complete the final project budget completion process for each approved project no later than July 15, 2016. 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](#), 515.281.3944, if you have further questions.

PMIC, Parental Placement, and Tuition

As a general rule, and supported by case law, parental placements are at the expense of the parents, including tuition. This applies to students with and without Individualized Education Programs (IEPs), except that the parent may not be required to pay tuition if the parent can prove the special education program offered by the resident district could not provide a Free Appropriate Public Education (FAPE) for their child. The burden of proof is on the parent, and this exception does not apply to students without IEPs.

Iowa Code section 282.27 is an Iowa legislative exception to the general rule and applies to a very narrowly defined situation. Under Iowa Code section 282.27, students, living in a psychiatric unit of a hospital licensed under Iowa Code chapter 135B or a psychiatric medical institute for children (PMIC) licensed under Iowa Code chapter 135H, where the hospital or the PMIC is not operated by the state, shall be provided an educational program by the district of location, and the resident district shall pay the tuition.

There is no exception to the "shall" in section 282.27 except that the hospital or the PMIC cannot be a state operated facility or program. Currently this excludes programs such as The University of Iowa programs and Mental Health Institutions (MHIs).

This means that school-age students will be counted and tuition SHALL be paid without regard to who made the placement.

Certain conditions must be met:

- The students must be Iowa residents. Iowa law only applies to Iowa residents.
- The students must be school age. Remember that preschool students with instructional IEPs are defined as "school age."
- The students must be living at the PMIC facility; therefore, residential.
- The PMIC must be an Iowa PMIC, located within the state of Iowa, and hold proper licensure from the appropriate state agency in Iowa. This does not apply to placements outside the state of Iowa.
- The PMIC (or hospital) cannot be a state-operated facility.
- The educational program duration is the regular session school year of the district of location (calendar) and does not include summer school except when extended school year services is on the IEP of the student.
- The student must be placed in the PMIC unit of the facility. Some facilities have multiple licenses and a specific number of beds authorized under each specific license. Only those students placed in the PMIC unit, receiving the PMIC treatment, and in the PMIC authorized beds are eligible under section 282.27.
- The "receiving the PMIC treatment" aspect is important because there is always a rare possibility that parental placement was for other than treatment purposes. Iowa Code section 256.46 allows students in mental health programs to be immediately eligible for participating in extracurricular interscholastic contests or competitions.
- Substance abuse treatment centers fall under Iowa Code section 282.19 and not section 282.27.

Resident districts are required (no exceptions in 282.27) to pay the tuition even if they did not get to count the student on certified enrollment because the student was not present and enrolled on October 1. This includes situations such as:

- The student was homeschooled.
- The student was enrolled in a private school.
- The student was enrolled in an accredited nonpublic school.
- The student was a dropout.
- The student was expelled.
- The student moved in after count date.

Continued on page 4

Continued from page 3

The legislature added a method for the resident district to recover the equivalent tuition that the resident district was required to pay when those students were not enrolled in the resident district on count date. The resident district is now permitted to include those resident students in the foster care claim process to recover the required tuition.

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

Foster Care Claim Expansion

In order to address the change in Iowa Code 282.27, the foster care claim application is being modified to account for regular education students placed in a residential PMIC facility who were not included in the resident district's October 1 certified enrollment count. The change requires no additional work on the part of districts. Districts with PMIC facilities will continue to report students residing in a PMIC placement using the same Student Reporting in Iowa (SRI) reporting requirements:

- Enter students into the student information system.
- Identify the students as residing in a PMIC facility.
- Associate each student with the resident district responsible for paying the educational costs.
- Maintain accurate entry and exit dates.

At the end of the school year, each district will submit the end-of-year SRI data. SRI data will populate the foster care claim for applicable regular education students. This year's application will include students identified as foster care who were living in the district only because of the foster care placement, as well as regular education students who were living in a PMIC facility during the school year and not included in the resident district's certified enrollment count.

Once the application opens in July, each district generating a claim will need to:

- Review the data.
- Notify the Department with questions/discrepancies.
- Certify the application by August 1.

The state will reimburse the district at the district's cost per pupil daily per diem rate. Warrants will be issued in August. More information will be available when the foster care claim application is available.

Contact [Carla Schimelfenig](#), 515.242.5612.

Reporting Nonprogram Food Costs: How and Why - Webinar Monday, May 23, 2016, 2:00 p.m. to 3:00 p.m.

The targeted audience for this webinar is school nutrition directors and school business officials who submit the Certified Annual Report.

The agenda will include:

- Monthly memo update as needed.
- A brief review of USDA Nonprogram Food Revenue Requirement.
- Calculations of nonprogram food costs and nonprogram revenue available through the School Nutrition Financial Report on IowaCNP.
- Methods and Tools for Calculating Nonprogram Food Costs.
- How nonprogram food costs, the Iowa Public School Certified Annual Report and the School Nutrition Financial Report work together.

Representatives from the Bureau of Nutrition and Health Services and the Bureau of Finance, Facilities, Operation, and Transportation Services are working together on the content of this presentation and will be available to answer questions. Follow this [link](#) to register on the Department's calendar. For more information contact [Jan Steffen](#), 515.681.2301.

FY16 Chart of Accounts (COA) Test Records

The FY16 COA Test Records site is accessible to all districts as voluntary testers while Department staff also continues testing. During the test period, some edits and warnings may not be working properly, so they may change as corrections are made. Currently stages 1, 2, and 3 are available, and stage 4 will be available soon. Any known edits or warnings not working properly will be noted on the Home page. 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 2016 COA-CAR rules. The test site mirrors the "live" site, with the inclusion of the reports when they are updated. The application is available on the [Iowa Education Portal](#). Once logged in, go to EdInfo, Finance Applications.

Many of the COA-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 receive it; therefore, there may be some edit messages that appear during testing that normally would not. The incomplete tables are noted on the Home page of the application. 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.

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. Districts should not fix their books just to pass edits, as the edit may need to be modified.

If you come across issues with the upload or edits and/or warning messages that don't make sense or don't seem to be working properly, please contact [Denise Ragias](#), 515.281.4741. Contact [Janice Evans](#), 515.281.4740, with coding questions and for journal entries.

Medicaid

Iowa's Medicaid Managed Care Modernization Initiative has not Changed Iowa's LEA, AEA and Infant Toddler Programs
On April 1, the Department of Human Services (DHS) launched the Iowa HealthLink Medicaid Managed Care project. The majority of the Medicaid, Healthy and Well Kids in Iowa (hawk-i), and Iowa Health and Wellness Plan enrollees were enrolled in comprehensive managed care organizations (MCOs). For more details, click [here](#). Iowa's local education agencies (LEA), area education agencies (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

All LEA, AEA and Infant Toddler claims for services starting last October 1 required an ICD-10 diagnosis. A crosswalk was offered for LEAs to use until the child was next seen by their provider. As these students should see a medical provider annually at a minimum, LEA providers should be able to have a confirmed ICD-10 diagnosis by September 30, 2016.

Reminder for 2016-2017 School Year to Check Exclusions List

As an Iowa Medicaid provider, it is important you are not submitting claims for services provided by someone who is excluded from participation, listed [here](#). Each Iowa Medicaid provider has agreed, in their contract, to comply with this provision. Prior to starting the 2016-2017 school year, please check the exclusions list for any of your staff delivering billable services.

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

Nonpublic Transportation Reimbursement Application

The Nonpublic Transportation Reimbursement Application is open 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 17, those data were deleted when the system opened, 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 [Iowa Education Portal](#). If you have questions, contact [Max Christensen](#), 515.281.4749.

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](#), 515.281.4740.

Indirect Cost Rates

[Indirect cost rates](#) for FY16-17 Federal programs, when allowable, are now available on the web. Contact [Janice Evans](#), 515.281.4740.

Title II, Part A – End of the Year Reimbursements

Please send your final Title II, Part A invoices for 2015-2016 to [Isbelia Arzola](#) by June 3, 2016. 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](#).

Perkins Consortium Accounting

Districts that are part of a Perkins consortium should expect to receive some journal entries from the grant fiscal agent to record in the district’s records, including transactions done by the fiscal agent on behalf of the consortium. The Finance, Facilities, Operation and Transportation Services Bureau worked with the Department’s Bureau of Career and Technical Education on the document [Accounting for Perkins Funds: Consortia](#). Although the document was shared with program staff, we realize that program staff doesn’t always share with fiscal staff.

Contact [Tom Cooley](#), 515.725.1120 or [Pat Thieben](#), 515.281.4707 for general Perkins or [Janice Evans](#), 515.281.4740 for coding questions.

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. 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 the replacement’s email address, we would appreciate that information as well.

Upcoming Deadlines	
AEA Budget Proposal—Resubmit Unapproved Budget	5-15-16
Deadline for District Budget Amendments	5-31-16
Nonpublic Transportation Reimbursement Claim Due	6-15-16
Last Day to Pay PSEO Tuition Due to Eligible Postsecondary Institutions	6-30-16