san diego county office of EDUCATION
FUTURE WITHOUT BOUNDARIES℠

Financial Accounting and Reporting Manual

Business Services Division
District Financial Services
Financial Accounting and Reporting

6401 Linda Vista Road, Room 608
San Diego, CA 92111-7399
www.sdcoe.net

INTRODUCTION

This manual was prepared to assist districts with the year-end closing process. The material was compiled with intent to address comprehensive fiscal year end accounting processes and to help ensure that district's financial statements are accurate and ready for an audit. The manual is divided into different sections, which are organized by specific topics. The material includes sample journal entries, year-end checklist and shares additional resources to provide more information and further demonstrate various accounting concepts.

We wish to acknowledge and thank the *California Department of Education* and *School Services of California* for their contributions, in the preparation of this manual.

For additional resources, please visit the District Financial Services website at: http://www.sdcoe.net/business-service/financial-services/Pages/ default.aspx.

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GENERAL ACCOUNTING INFORMATION

This section includes: Contact information for San Diego County Office of Education (SDCOE) District Financial Services (DFS) staff, website links for additional resources, information on how to establish a new fund, oracle funds listing, and the wire transfer process.

Financial Accounting and Reporting
Contact Information

Roxanna Travers, Financial Accounting & Data Support Manager (858) 295-6700 ◦ roxanna.travers@sdcoe.net

Patricia Fogliano, Financial Accounting & Data Support Specialist (858) 295-6703 ◦ pfogliano@sdcoe.net

Financial Accounting	Financial Reporting
E-mail: finacct@sdcoe.net Website: https://www.sdcoe.net/business-services/financial-services/financial-accounting/Pages/financial-accounting.aspx	E-mail: finrep@sdcoe.net Website: https://www.sdcoe.net/business-services/financial-services/financial-reporting/Pages/financial-reporting.aspx

Maria Soto-Delfin, Fiscal Technician
(858) 295-6709 ◦ msoto@sdcoe.net
- Deposit Permits for Electronic Funds Transfer
- Prepare Auditor Transfers
- Education Protection Account (EPA)
- Principal Apportionments
- Interest
- Lottery
- Temporary Transfer of funds (TTF)
- Establish/Close Treasury Accounts/Funds
- Special Tax Apportionment

Sokphanny Cheam, Account Clerk III
(858) 295-6668 ◦ sokphanny.cheam@sdcoe.net

Frank Perry, Account Clerk III
(858) 295-6699 ◦ francis.perry@sdcoe.net

Luisa Herrera, Account Clerk III
(858) 295-6697 ◦ luisa.herrera@sdcoe.net

- Journal Entries
- Deposits/ Deposit Permits
- JP Morgan Account Information
- Cancel/Voided Warrants
- Mail Call
- Wire Transfers
- Auditor's Transfers
- Signature Card Resolutions
- Oracle Reports
- Provide contact information at the County
- Treasurer for WARP set up
- Monthly Cash Balancing
- Warrant Stock-Online/Off-line/Payroll
- Property Tax Apportionment

Patricia Fogliano, Financial Accounting & Data Support Specialist (858) 295-6703 ◦ pfogliano@sdcoe.net
- Calculator/Tools Updates – OPEB, Interest, Time Accounting, SARC & ESSA PPE
- Custom Reports
- General Fund Composite and Expenditure Report
- Financial Data Analysis Tool
- J-29 B/C Tax Reports
- Assessed Valuations
- PS/Finrep Fees
- LCFF Projection
- MYP Updates & Projections
- SACS Reporting

Cailey Rodrigues, Financial Reporting Analyst
(858) 295-6277 ◦ cailey.rodrigues@sdcoe.net
- Actuarial Reporting
- Annual Financial Transaction Report
- External Auditor Contracts
- Five-Year Comparison
- Public Hearing Notices
- J-29 B/C Tax Reports
- Extraordinary Cost Pool Claim Reporting
- Special Education Infant Reporting
- MYP Projections
- SACS Reporting

District Financial Services Staff List

Department	Fax #	Email
Business Services	(858) 541-0697	
Commercial Warrants	(858) 278-1478	
Financial Accounting		Finacct@sdcoe.net
Financial Reporting		Finrep@sdcoe.net
Payroll Services	(858) 715-0091	PayrollSvcs@sdcoe.net
Retirement Reporting	(858) 279-2953	Retiremt@sdcoe.net

Name	Department	Phone #	Room #
Angelina, Ria	Retirement Reporting	(858) 290-5994	605
Aquino, Denise	Retirement Reporting	(858) 295-6906	605
Aquino, Vanessa	Retirement Reporting	(858) 295-6917	605
Aragon, Alex	Retirement Reporting	(858) 295-6925	605
Azzam, Natalie	Business Advisor	(858) 295-6657	609
Benavides, Laura	Retirement Reporting	(858) 295-6927	605
Britt, Tammy	Retirement Systems Manager	(858) 295-6913	605
Cheam, Sok	Financial Accounting and Reporting	(858) 295-6668	608
Cordova, Claudia	Commercial Warrants	(858) 295-6675	608
Davis, Amanda	Business Advisor	(858) 295-6652	609
De Los Santos, Clarissa	Retirement Reporting	(858) 295-6905	605
Espiritu, Amanda	Commercial Warrants	(858) 295-6679	608
Etcheverry, Karina	Payroll Services	(858) 295-6710	605
Evans, Renee	Retirement Reporting	(858) 295-6898	605
Fajardo, Natalie	Retirement Reporting	(858) 295-6615	605
Fogliano, Patricia	Financial Accounting and Data Support Specialist	(858) 295-6703	608
Gilroy, Matt	Payroll Services Supervisor	(858) 295-6736	605
Hamada, Sakura	Business Services	(858) 295-6660	609
Hernandez, Nick	Payroll Services	(858) 295-6737	605
Herrera, Luisa	Financial Accounting and Reporting	(858) 295-6697	608
Juarez, Maria	Payroll Services	(858) 295-6727	605
Vacant	Retirement Reporting	(858) 295-6902	605
Vacant	Commercial Warrants	(858) 295-6676	608
Marti, Theresa	Commercial Warrants	(858) 295-6688	608
Perry, Frank	Financial Accounting and Reporting	(858) 295-6699	608
Pilapil, Gemma	Payroll Services	(858) 295-6693	605
Pulido, Marisa	Payroll Services	(858) 295-6719	605
Rodrigues, Cailey	Financial Accounting and Reporting	(858) 295-6277	608
Sam, Veronica	Payroll Services	(858) 295-6722	605
Schuff, Natalie	Director, Business Advisory Services	(858) 295-6659	609
Shelton, Vandee	District Financial Services	(858) 295-6701	609
Soto-Delfin, Maria	Financial Accounting and Reporting	(858) 295-6709	608
Squeo, Carolyn	Retirement Reporting	(858) 295-6919	605
Travers, Roxy	Financial Accounting and Data Support Manager	(858) 295-6700	608
Valderrama, Beth	Retirement Reporting Supervisor III	(858) 295-6932	605
Valenzuela-Diaz, Cindy	Commercial Warrants	(858) 295-6678	608
Vickery, Ben	Retirement Reporting	(858) 295-6734	605
Walden, Sheri	Commercial Warrants Manager	(858) 295-6692	608
Watson, Brent	Executive Director, District Financial Services	(858) 295-6702	609
White, Allie	Retirement Reporting	(858) 295-6908	605
Wigg, Lori	Business Advisor	(858) 295-6607	609
Williams, Melissa	Retirement Reporting	(858) 295-6920	605
Wilmot, Alex	Business Advisor	(858) 295-6649	609
Zendejas, Ofelia	Commercial Warrants	(858) 298-2019	608

Commercial Warrants Audit Assignments
Audit Assignments

District	Tiffany Lu
	Tiffany Lu, 858-295-6676 tiffany.lu@sdcoe.net
01	Alpine Union SD
15	*Escondido Elementary SD
21	*Lemon Grove SD
34	*Solana Beach SD
36	*Spencer Valley SD
37	*Vallecitos SD
41	*Fallbrook Union High SD
43	*Julian Union High SD
47	*Coronado Unified SD
49	*Ramona Unified SD
61	*Poway Unified SD
63	*Carlsbad Unified SD
66	*Warner Unified SD
67	*Valley Center-Pauma Unified

District	Cindy Valenzuela-Diaz
	Cindy Valenzuela-Diaz, 858-295-6678 cindy.valenzueladiaz@sdcoe.net
07	*Cardiff School District
11	*Del Mar Union SD
17	*Jamul-Dulzura Union SD
18	Julian Union SD
23	*National SD
28	Rancho Santa Fe SD
31	*San Pasqual Union SD
32	*Santee SD
33	*San Ysidro SD
45	*San Dieguito Union SD
51	*Vista Unified SD
62	*Borrego Springs Unified SD
64	*Oceanside Unified SD
65	*San Marcos Unified SD

District	Amanda Espiritu
	Amanda Espiritu, 858-295-6679 amanda.espiritu@sdcoe.net
10	*Dehesa School District
14	*Encinitas Union SD
16	Fallbrook Union Elementary SD
19	*Lakeside Union SD
20	*La Mesa-Spring Valley SD
40	*Escondido Union High SD
48	*Mt. Empire Unified SD
99	*SDCOE
189	*Bonsall Unified SD

Bold = Offline Districts
* = CUPCCAA Districts

District	Claudia Cordova
	Claudia Cordova, 858-295-6675 ccordova@sdcoe.net
06	***Cajon Valley Union SD**
09	***Chula Vista Elementary SD**
35	***South Bay Union SD**
46	**Sweetwater Union High SD**
	Charters
12	Literacy First Charter
30	Heritage K-8 Charter
73	Guajome Park Academy
77	Escondido Charter High
83	SIA Tech
92	Pacific View Charter
165	Guajome Learning Centers

Retirement Reporting Staff Assignments

Room 605 - Fax: 858-279-2953

Laura Benavides Retirement Technician (CalSTRS) 858-295-6927	CalSTRS Defined Benefit Accounting; CalSTRS Cash Balance Accounting; CalSTRS Service Credit Repurchase Accounting; CalSTRS Year to Date Salary Subject Figures; CalSTRS Address File; CalSTRS Penalties and Interest.
Allie White Account Clerk III (CalSTRS) (858) 295-6908	CalSTRS Certificated Calendar Days (CDAYS); Certificated Reduced Workload Program (RWP) Contracts; CalSTRS Excess Contribution Refunds; Service Credit Repurchases (General Deductions); Service Credit Discrepancy Inquiries.
Renée Evans Account Clerk II (CalSTRS 1-45, 50, 52) 858-295-6898	CalSTRS Payroll Reporting; Retirement Membership Enrollments; Permissive Elections; Right of Elections; Payroll Adjustments; 60 Hours and 100 Days Reports; Salary Computations Worksheets; Refund Applications; Retirements (Express Benefit or MS 554 forms); Certificated Retiree I-30s.
Ria Angelina Account Clerk II (CalSTRS 46-189, 60) 858-290-5994	CalSTRS Payroll Reporting; Retirement Membership Enrollments; Permissive Elections; Right of Elections; Payroll Adjustments; 60 Hours and 100 Days Reports; Salary Computations Worksheets; Refund Applications; Retirements (Express Benefit or MS 554 forms); Certificated Retiree I-30s.
Benjamin Vickery Retirement Technician (CalPERS) 858-295-6734	CalPERS Defined Benefit Accounting; Salary Overpayments; Right of Elections Review; PERS Summer School Reporting; CalPERS Year to Date Salary Subject Figures;
Clarissa DeLos Santos Account Clerk III (CalPERS) (858) 295-6905	CalPERS Service Credit Repurchases (General Deductions); CalPERS Special Projects
Blake Kupetsky Account Clerk II (CalPERS 1-45, 50, 52) 858-295-6902	CalPERS Payroll Reporting; Retirement Membership Enrollments, Right of Elections; Payroll Adjustments; 1,000 Hours Reports; AESD-2 Forms: Memberships, Separations, Name Changes, and Address Changes; Refunds; Retirements; Service Credit Discrepancy Inquiries.
Natalie Fajardo Account Clerk II (CalPERS 46-189, 60) 858-295-6615	CalPERS Payroll Reporting; Retirement Membership Enrollments, Right of Elections; Payroll Adjustments; 1,000 Hours Reports; AESD-2 Forms: Memberships, Separations, Name Changes, and Address Changes; Refunds; Retirements; Service Credit Discrepancy Inquiries.
Melissa Williams Retirement Technician Charter Schools 858-295-6920	CalSTRS Charter School Independent Reporting; CalPERS Charter School Independent Reporting; Charter School Fees.

Retirement Reporting Staff Assignments

Room 605 - Fax: 858-279-2953

Alex Aragon Retirement Technician (CalPERS and CalSTRS) (858) 295-6925	Retroactive Pay - School District Contact; Retirement Unit Support; CalPERS and CalSTRS Special Projects.
Denise Aquino Account Clerk III (CalPERS and CalSTRS) (858) 295-6906	Retirement Unit Support; CalPERS and CalSTRS Special Projects.
Vanessa Aquino Retirement Reporting Analyst (858) 295-6917	PeopleSoft Unit Support; PeopleSoft Testing; PeopleSoft Special Projects.
Carolyn Squeo Retirement Reporting Analyst (858) 295-6919	PeopleSoft Unit Support; PeopleSoft Testing; PeopleSoft Special Projects.
Beth Valderrama Supervisor III, Retirement Reporting (858) 295-6932	Retirement Reporting Unit Supervision.
Tammy Britt Manager, Retirement Systems (858) 295-6913	CalPERS system access administrator. CalSTRS system access administrator. PeopleSoft maintenance of: CHRS, Job Codes, Retirement related EE & ER Rates. PeopleSoft Unit Support; PeopleSoft Testing; PeopleSoft Special Projects.

Who to Contact with Payroll Questions

Topic	Contact
SUI Reporting; TSA Returns; Assign, Add or Delete Vendor Codes; Vendor Change of Address; Vendor Warrant Cancellations; Overage/Lost Vendor Warrants; Annual Resolutions	payrollsvcs@sdcoe.net Payroll Services Team 858-295-6719
ACH (Reversals, etc.); Lost Payroll Warrants; Overage Payroll Warrants; End of Year County W-2 Balancing; Payroll Calendar; Reconciled Payroll Warrant Copies; Forgeries	payrollsvcs@sdcoe.net Payroll Services Team 858-295-6722
Current Year Salary Overpayments; Federal and State Tax Payments; State Tax Reporting; Current Year Workers Compensation Abatements	payrollsvcs@sdcoe.net Payroll Services Team 858-295-6710
Social Security and Medicare Tax Payments; Federal Tax Reporting; W2/W3 and 941; Payroll Tax Deductions/Refunds; Year-end Adjustments	payrollsvcs@sdcoe.net Payroll Services Team 858-295-6727
Corrected Tax Forms; W2-C/W3-C and 941-X Form Audits, Questions and Filing	payrollsvcs@sdcoe.net Payroll Services Team 858-295-6693
Garnishments/Wage Attachments; Lost Garnishment Warrants; Mail/Warrant Distribution; Credential Holds/Releases	garnishment@sdcoe.net Payroll Services / Garnishment Team 858-295-6737

Email: payrollsvcs@sdcoe.net
Mail Stop — Room 607
Fax: 858-715-0091

San Diego County Treasurer Bank Information

JP Morgan Chase
201 N. Central Avenue 21st
Floor Phoenix, AZ 85004

JP Morgan Chase Bank:

All questions regarding JP Morgan Chase deposits should go through the SDCOE Financial Accounting & Reporting department.

SDCOE Liaison: Sokphanny Cheam, (858) 295-6668
sokphanny.cheam@sdcoe.net

Frank Perry, (858) 295-6699
francis.perry@sdcoe.net

Luisa Herrera, (858) 295-6697
luisa.herrera@sdcoe.net

Auditor & Controller – Accounts Payable:

Warrant Information: Grace Cacho-Librado, (858) 694-2068
Grace.Cacho-Librado@sdcounty.ca.gov

Joyce Murillo, (858) 694-2070
joyce.murillo@sdcounty.ca.gov

Treasurer's Office:

Wire Transfers: Rosella Perez, (619) 531-5685
Rosella.Perez@sdcounty.ca.gov

WARP Administration: Zinda Jimenez, (619) 531-5628
zinda.jimenez@sdcounty.ca.gov

Gregg Rosner, (619) 531-5609
Gregg.Rosner@sdcounty.ca.gov

How to Establish a New Fund at the
County Treasury

1. Districts will need to complete a board resolution and submit this to SDCOE Financial Accounting & Reporting. Sample resolutions can be accessed on our website via the following link:
   https://www.sdcoe.net/business-services/financial-services/Pages/Fund-Resolutions.aspx

2. SDCOE Financial Accounting & Reporting will complete the San Diego County Treasury's Fund Set Up form.

3. The board resolution and the completed fund set up form, along with a cover letter will be sent to the San Diego County Auditor & Controller - Financial Accounting & Reporting Division.

4. Once the County has established the fund and an oracle number has been assigned, SDCOE Financial Accounting & Reporting will notify the district by email.

Treasury Deposit
Information

School districts are responsible for depositing their funds into their JP Morgan Chase Bank Account. Methods of deposits include:

> Walk-In Service to JP Morgan Chase Branch by 5 PM
> U.S. Mail
> Lock Drop Box
> Wire Transfers

A JP Morgan Chase bank deposit slip and the SDCOE deposit permit in Excel format emailed to finacct@sdcoe.net with the following subject:

> District Number_Date of Deposit_Amount of Deposit

This is due to Financial Accounting & Reporting by **9 a.m**. the next day following a deposit.

The Deposit Permit form is available at: https://www.sdcoe.net/business-services/financial-services/financial-accounting/Pages/financial-forms.aspx

For any questions regarding the deposit process please email finacct@sdcoe.net.

Due to the large number of NSF checks, the Financial Accounting & Reporting Department has requested funds other than the general fund be notated on the check.

*Remember to use the 5-digit Oracle ID number.

```
                                    * XXXXX
JOE HENRY                                                    1906
8 LINCOLN AVE.
HOMETOWN   USA                                    Date:  May 20, XXXX

Pay to the          XYZ School District                  $   25.00
order of            Twenty Five Dollars and  00/100  **      DOLLARS


ABC BANK
1 MAIN STREET
DISNEYLAND, CA 90000

For _____                          _____ Joe Henry
                                                                  1906
```

Foreign Funds

1.   The check must be payable through a U.S. bank.
2.   **U.S. Funds or U.S. Dollars must be printed by the
        written and numeric amount.

Process for Wiring Funds out of the County Treasury
Wire Administration and Request Portal (WARP)

The San Diego County Treasurer has implemented an on-line system for school districts and charter schools to wire funds out of the county treasury.

Process for School Districts:

The district initiates wire transfer requests from the county portal located at: **https://www2.sdcounty.ca.gov/WFtrans/Default.aspx**. A login name and password should be requested from the County Treasurer's Office. The Commercial Warrants Audit Unit at the San Diego County Office of Education (SDCOE) will be the POETA approvers of wire transfers for school districts before sent to the County Treasurer. School districts must include the SACS account information in the "Transaction Description" field (see sample form on next page).

The district creates a two-lined journal entry with the accounting date that matches the settlement date and source FA. The first line will be for the expense debit and the second line will be an offset to suspense (object 7999). **The district must leave the journal entry in valid status and email the journal number and a copy of the Edit Wire Transfer Request to finacct@sdcoe.net.** Financial Accounting & Reporting will validate the amount of the wire and change the suspense line to cash and post.

Process for Charter Schools:

Charters that are a fund of a school district: As with current practice, school districts will request wire transfers for charter schools that are a fund of the district. The process will be the same as described above for school districts.

Charters with own treasury fund: Wire transfers for charter schools that have their own fund number at the County Treasury will be approved by the sponsoring school district. **Email a copy of the Edit Wire Transfer Request with the applicable SACS account number and the PeopleSoft journal number to finacct@sdcoe.net.**

Note that each wire request must be submitted two days prior to the settlement date.

For more information and/or assistance, contact the County Treasurer's Office:
Wire Transfers: Rosella Perez Rosella.Perez@sdcounty.ca.gov   (619) 531-5685
WARP Access: Zinda Jimenez Zinda.Jimenez@sdcounty.ca.gov (619) 531-5628
WARP Administration: Gregg Rosner Gregg.Rosner@sdcounty.ca.gov (619) 531-5609

Email: finacct@sdcoe.net for additional questions

CLOSING SCHEDULE

This section provides San Diego County Office of Education year-end timelines which must be incorporated into the District Closing Schedule. These deadlines must be followed throughout the closing process.

SAN DIEGO COUNTY OFFICE OF EDUCATION
District Financial Services
Financial Accounting & Reporting

YEAR-END CLOSING SCHEDULE
Fiscal Year 2020-21

June 2021

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July 2021

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August 2021

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2021

S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

June 8: Year-end Closing Workshop – Zoom Meeting.
Link to presentation (when available):
http://www.sdcoe.net/business-services/financial-services/financial-accounting/Pages/financial-accounting.aspx

June 25:
- Final date for all deposits to J.P. Morgan by close of business day.
- Last day to cancel warrants by 10 AM.
- Last day to enter vouchers in the system by 12:00pm
  Vouchers that remain on hold by 3:30pm or entered after this date will be denied and will need to be re-entered on July 1.

June 29:
- Last day to submit auditor's transfers due to Financial Accounting by 10 AM.

July 1:
- First day to post to period 998 with 6/30/21 date.
- Fiscal Year 2021/22 activity begins - Use July date (7/2021).
- First day to enter new vouchers against current year (2021-22) purchase orders.

July 6: First day commercial warrants are issued for 2021/22.

July 8: Finalize all 2020/21 PO's, and enter goods received on or before June 30th by 5 PM.

July 9: Target day for districts to run their PO Rollover process. Cannot process vouchers on these POs until rolled.

July 15: Period 12 closes at close of business.

July 30: Payroll Accruals posted by Financial Accounting.

September 3:
- Last day to post to period 998.
- Send completed district closing checklist and TRC to Financial Accounting: finacct@sdcoe.net

September 15: Governing Board shall approve, and district shall submit to SDCOE, 2020-21 SACS Unaudited Actuals [E.C. 42100(a)]

FISCAL YEAR-END CHECKLIST

Year-end closing is the process of reviewing and adjusting all accounts to ensure that they accurately reflect the activities for the fiscal year. It is the final step in the accounting cycle before preparing a financial statement. The goal of year-end closing is to provide readers of a school district's financial statements with the most accurate financial picture possible. To do this, school districts apply various recognized policies. These policies are derived from several sources, including the California School Accounting Manual and the pronouncements of the Governmental Accounting Standards Board (GASB).

After the closing entries have been made and all revenue and expenditure accounts have been closed, the ending fund balance is known and available for making adjustments to the current budget year.

Procedures to Ensure Accurate Closing

1. Prepare a closing schedule. The first step in the closing process is to plan and develop a schedule of events. There are various due dates that must be met such as report deadlines, data processing deadlines at the County Office of Education and within the LEA, physical inventory and so forth. A calendar combining all the important events should be established and followed throughout the closing process.

2. Review all asset accounts. Various asset accounts must be reviewed at year-end. A reconciliation of all cash accounts must be prepared, and any adjusting entries must be recorded. The stores inventory account must be adjusted to agree with the physical count. Prepaid expenditures must be reviewed and analyzed to ensure that no adjustments are needed.

3. Analyze and close out prior year receivable and payable accounts. At year-end, the agency must close out any amounts remaining in the prior year receivable or payable accounts. During the year, differences will occur between amounts actually received or paid versus what had been accrued. These adjustments should be made throughout the year as they occur, but a final analysis must be made if a balance remains on these accounts.

4. Accrue accounts receivable. Various sources of revenues are due to the agency at year-end. These amounts must be recorded as accounts receivable. This will record the revenue in the proper fiscal year. There are specific revenue recognition policies referring to such items as LCFF, special education master plan, interest, deficits, state lottery, etc. that provide guidance on how to calculate these receivables.

5. Accrue accounts payable. Any amounts due to others at year- end for receipt of goods or services must be recorded as accounts payable. This will record the expenditure in the proper fiscal year. There are common types of payables such as payroll, employee benefits, utilities, contracts and so forth.

6. Adjust grants and entitlements: Specific recognition policies must be followed in accounting for grants and entitlements. Each project must be reviewed separately and appropriate entries must be made. The FORM CAT in the SACS software must be completed prior to closing.

7. Ensure accurate accounting for leases, COPs and Mello-Roos. A variety of accounting entries relating to these must be recorded before or during the year-end closing process.

8. Ensure that all inter-program and inter-fund transactions are reconciled. Any transfers of expenditures between programs or funds must be reconciled.

9. Review unique closing procedures for other funds and account groups. Unique items must be considered at year-end regarding funds other than the general fund.

10. Properly identify the components of the ending fund balance. Year-end entries are necessary to classify the components of the ending fund balance correctly. Amounts may be reserved, legally restricted, designated or undesignated.

11. Are the books ready for the annual audit? The goal of year-end closing is to ensure that the LEA's financial statements are accurate and ready for audit.

12. Complete the year-end closing checklist. A master checklist that is provided by the County Office of Education should be completed to ensure that all areas have been addressed.

Year-End Checklist

The next few pages contain a checklist for your use during the closing process.   Some districts may vary the order from that shown on this checklist, but the CAT FORM needs to be completed before the district is closed.

Year-End Closing Checklist

Entries Made Prior to Closing

- [ ] Clear prepaid expense (9330)
- [ ] Clear unearned revenue (9650)
- [ ] Clear deposits in transit (9140)
- [ ] Balance prior year accounts receivable accruals (9201/02)
- [ ] Clear prior year due to / due from (9312 & 9612)
- [ ] Balance prior year current liabilities (9510/11)
- [ ] Clear suspense for all funds (resource 9999 &/or objects 7999 & 8999)
- [ ] Transfer of in-lieu property taxes to charter schools (refer to EC 47635)
- [ ] Physical inventory
- [ ] Verify audit adjustments are posted
- [ ] Clear encumbrances

Closing Entries/Accrual

- [ ] Set up liability accruals (9510)
- [ ] Set up accounts receivable accruals (9201)
- [ ] State Aid accrual (9290 or 9590)
- [ ] Post interest earned on bond proceeds invested outside of the county treasury
- [ ] Reconcile petty cash
- [ ] Reconcile revolving cash
- [ ] Reconcile clearing accounts
- [ ] State aid 50% reduction

Direct/Indirect Costs

- [ ] Direct costs
- [ ] Intrafund in balance (5710)
- [ ] Interfund in balance (5750)
- [ ] Indirect costs
- [ ] Intrafund in balance (7310)
- [ ] Interfund in balance (7350)

Categorical Programs

- [ ] Accrue Lottery (1100 & 6300)
- [ ] Federal transferability (if consolidating)
- [ ] Distribute accumulated NCLB administrative costs to participating programs (if consolidating)
- [ ] Special Education contribution from the unrestricted General Fund
- [ ] Routine Restricted Maintenance Account (RMA) transfer from unrestricted General Fund
- [ ] Complete form CAT
- [ ] Post accounts receivable
- [ ] Post unearned revenue
- [ ] Federal interest

Deferred Maintenance (optional)

- [ ] Deferred Maintenance transfer (Auditor's transfer before 6/30 or Due To/From after 6/30)
- [ ] Transfer LCFF funds using Object 8091

Reserves

- [ ] Establish reserves for revolving cash fund (9711)
- [ ] Reconcile stores general ledger to physical inventory
- [ ] Establish reserves for stores
- [ ] Establish reserves for prepaid expenditures
- [ ] Establish reserves for legally restricted balances
- [ ] Establish reserves for economic uncertainties
- [ ] Establish other assignments, commitments, & unassigned reserves

GASB Entries

GASB 82 (amendment of GASB 68, effective for fiscal years ending June 30, 2017)

- [ ] Post STRS on-behalf contributions

GASB 34

- [ ] Verify all expenditures charged to function 8500 and/or object 6XXX
- [ ] Extract fund data into GASB 34 component of SACS software, analyze results, review SACS accounting for reconciliation, and do any necessary conversion entries.
- [ ] Ensure that ASSET & DEBT forms match GSNA

GASB 75 (replaces GASB 45, effective for reporting periods beginning after June 15, 2017)

- [ ] Review government-wide statements to ensure that accounts have extracted properly into the SACS software and do any necessary OPEB conversion entries

District Checklist

- [ ] Complete district checklist
- [ ] Complete SACS software unaudited actuals technical review checks (TRC) and resolve exceptions
- [ ] E-mail completed district checklist and TRC (EXCEPTIONS ONLY) to Financial Accounting finacct@sdcoe.net to begin their audit process (DO NOT send a SACS DAT file at this time)
- [ ] Financial Accounting will notify district of audit results
- [ ] Finalize Unaudited Actuals and email final SACS DAT file, complete TRC checklists and related closing documents to Financial Reporting at finrep@sdcoe.net

Other - Notes

- [ ]
- [ ]
- [ ]
- [ ]
- [ ]

Inventory

During year-end closing, these questions should be answered regarding inventory accounting.

1. If inventory is a material asset, has the auditor been notified of the dates that the physical inventory is to be taken? (Some auditors like to be present to check procedures and do a sampling.)

2. If the physical inventory has been completed, have the adjusting entries been made to bring the book inventory to actual?

3. Have fuel inventories been taken and the expenditures for gas, diesel and oil been reduced to properly reflect expenditures in the transportation account?

4. Are there other inventories that need to be considered in the transportation, maintenance, or food service department?

District Closing Checklist

After all the year-end processes are completed, it is time to begin the final checklist. On-line districts should complete this checklist.

Once this checklist is completed, e-mail the documents listed below to Financial Accounting to finacct@sdcoe.net, so that they may begin the audit procedures for your district.

- Closing Checklist
- Budget TRC, exceptions only
- Estimated Actuals TRC, exceptions only

Financial Accounting will email to inform of any Audit issues and once the Audit is completed and has passed.

Checklist available in MS excel or PDF format under Quick Links at:

http://www.sdcoe.net/business-services/financial-services/financial-accounting/Pages/financial-accounting.aspx

Note*: Please do not email the SACS .DAT file until you are notified by Financial Accounting that the closing Audit is finalized, and the SACS file has been completed. Email to finrep@sdcoe.net*

District _Dist No._

Completed by Phone ext. _Date_

A.- Please answer the following questions Yes or No, Charters N/A.

To the _**extent that no more fund accounting entries**_ are needed:

a.- Have you completed all applicable forms in your SACS Software for the Unaudited Actuals?

b.- Have you checked your SEMOE compliance? (Special Ed. Maintenance of Effort)?

c.- Have you completed your Government-wide GASB 34 and/or GASB 45 OPEB reports?
Note: GASB does not need to be completed to close nor to submit the Official SACS file
as long as no additional fund accounting entries are needed.

- REMINDERS -
• DOWNLOAD A FINAL SACS FILE IF YOU MADE PEOPLESOFT ADJUSTMENTS SINCE YOUR LAST DOWNLOAD AND RUN A FINAL TECHNICAL REVIEW CHECKLIST
• AFTER CHECKLIST IS SUBMITTED TO FINANCIAL ACCOUNTING DO NOT TO USE PERIOD "998".

For Queries use Year: **2020**

B.- You will use queries to complete the checklist.
Main Menu > Reporting Tools > Query > Query Viewer   _Search By_ : "Query Name"   _Begins with:_ "FAR"

1. Use "FAR_GL_ACTUALS_2_FD_OBJ - Fund & Object" to find funds in use.

FAR_GL_ACTUALS_2_FD_OBJ - Fund & Object

Unit %:	00700
Fund %:	%
OBJECT FROM:	9110000
OBJECT TO:	9110000
PERIOD FROM:	0
PERIOD TO:	998
Year:	

District _____   Dist No. _____

Completed by _____   Phone _____ ext. _____   Date _____

2. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
Verify ZERO balances for each object code range below in all funds.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	0000000
RESOURCE TO:	9999999
OBJECT FROM:	7999000
OBJECT TO:	7999999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

Object Code ranges:
7999000 to 7999999
8999000 to 8999999
8980000 to 8980999
8990000 to 8999999

FUNDS																			
7999																			
8999																			
8980																			
8990																			

3. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
Verify the resource range of 9999000 to 9999999 has a ZERO balances in all object codes in all funds.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	9999000
RESOURCE TO:	9999999
OBJECT FROM:	0000000
OBJECT TO:	9999999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FUNDS																			
9999																			

District   _Dist No._

Completed by   Phone   ext.   _Date_

4. Use "FAR_ENCUMBRANCE_LEDGERS - Total Encumbrances"

Verify there are no encumbrances & pre-encumbrances on the ledgers.

FAR_ENCUMBRANCE_LEDGERS - Total Encumbrances

Unit %:	00700
Fund From:	0000
Fund To:	9999
Resource From:	0000000
Resource To:	9999999
Object From:	0000000
Object To:	9999999
Budget Period:	
Accntg Period From:	0
Accntg Period To:	998

Query Results:
- _If results are "No matching values were found" select PASS_

  OR

- _If query returns values, Sum the "Sum Total Amt" column._
  - If the total sum Nets to zero, Select 'PASS'
  - If the total sum does not Net to zero, clear all encumbrances.

a.- Select or Enter "PASS" if encumbrances are cleared. Select or Enter N/A, if Charter School.

5. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
Verify LCFF Adjustment has been made as appropriate for your district.
Fifty percent (50%) of the amount in revenue accounts 8081-8082 must be transferred from
LCFF Sources to Other Local Income.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	9999000
RESOURCE TO:	9999999
OBJECT FROM:	8081000
OBJECT TO:	8082999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	9999000
RESOURCE TO:	9999999
OBJECT FROM:	8089000
OBJECT TO:	8089999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

0100 - 8081	X 50% =		(A)
0100 - 8082	X 50% =		(B)
Total A + B			

Amount in 0100 - 8089	$	=	Amount in 0100 - 8691	$
Debit balance (Total of A + B)		=	**Credit balance (Total of A + B)**	

District	*Dist No.*

Completed by	Phone	ext.	*Date*

6. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
Verify a zero balance in 9140 except for a deposit sent to Wells Fargo Bank by June 30 and not posted until July.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	0000000
RESOURCE TO:	9999999
OBJECT FROM:	9140000
OBJECT TO:	9140000
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FUNDS																				
9140																				

7. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
Verify the following accounts have CREDIT balances. A NEGATIVE amount signifies a credit balance.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	0000000
RESOURCE TO:	9999999
OBJECT FROM:	9502000
OBJECT TO:	9502999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FUNDS																				
9502																				
9510																				
9512																				
9590																				
9611																				
9641																				
9650																				
9661																				
9662																				
9664																				
9665																				
9666																				
9667																				
9668																				
9669																				

District	*Dist No.*

Completed by	*Phone*	*ext.*	*Date*

8. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
   Verify the following accounts have DEBIT balances. A POSITIVE amount signifies a debit balance.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	0000000
RESOURCE TO:	9999999
OBJECT FROM:	9120000
OBJECT TO:	9120999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FUNDS
9120
9130
9135
9201
9203
9290
9311
9315
9320
9330
9340
9350

9. Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object"
   Verify ZERO balances in all object codes below.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	0000000
RESOURCE TO:	9999999
OBJECT FROM:	9202000
OBJECT TO:	9202999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

FUNDS
9202
9204
9312
9505
9511
9513
9612
9620
9720
9910

District		_Dist No._

Completed by		_Phone_	_ext._	_Date_

10. RRMA - Required Minimum Contribution.

Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Actuals"

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %:	00700
Fund %:	%
RESOURCE FROM:	8150000
RESOURCE TO:	8150999
OBJECT FROM:	1000000
OBJECT TO:	7999999
PERIOD FROM:	0
PERIOD TO:	998
Year:	

Note:
The Routine Restricted Maintenance Account (RRMA) contribution is calculated as a percentage oftotal General Fund expenditures, including other financing uses. Resources 3212, 3213, 3214 subject to final state budget approval.

SB 820 amended the definition of total General Fund expenditures for the purpose of calculating the RRMA contribution by excluding Expenses coded to Resource Code 7690 STRS On-Behalf and CARES Act expenditures from the minimum RRMA Calculation Resources: 3210, 3215, 3220, 5316, 7027, 7420. **Resources 3212,3213,3214 subject to final state budget approval.

Excluded from the 3% requirement Yes*/No, If No, complete section below:

Enter requirement amount of 3% of total General Fund Expenditures: $

UA Contributions to Resource 8150; Objects 8900-8999: $

If Minimum required contribution not met, please explain below:

*Small Schools/Charters Exempt   EC § 17070.75€ - High school districts with ADA not greater than 300 pupils. - Elementary school districts with ADA not greater than 900 pupils.

11. GASB 84   Verify implementation date and Fund used.

a.- ASB transactions recorded in fund 01, 08 or 95 (Charters 01, 09 or 62) in PS or will be input directly into SACS?

Select or write in the field 'PeopleSoft' or 'SACS':

b.- Use "FAR_GL_ACTUALS_3_FD_RES_7OBJ - Actuals" to Verify transactions in PeopleSoft.

FAR_GL_ACTUALS_3_FD_RES_7OBJ - Fund, Resource Object

Unit %	00700
Fund %	0800
RESOURCE FROM	0000000
RESOURCE TO	9999999
OBJECT FROM	1000000
OBJECT TO	8999999
PERIOD FROM	0
PERIOD TO	998
Year	

Fund 0800 Resource 8210	
Beginning Balance Adj. (O9795)	$
Revenue (8000000-8999999)	$
Expenditures (1000000-7999999)	$
Net Change in Fund Balance	$

OR

Fund 9500	
Beginning Balance Adj. (O9795)	$
Revenue (8000000-8999999)	$
Expenditures (1000000-7999999)	$
Net Change in Fund Balance	$

OR

Fund 0100, 0900 or 6200 R 8210	
Beginning Balance Adj. (O9795)	$
Revenue (8000000-8999999)	$
Expenditures (1000000-7999999)	$
Net Change in Fund Balance	$

When you have completed the District Checklist, e-mail a copy along with TRC, exceptions only, to Financial Accounting
finacct@sdcoe.net
to inform us that you are ready to be audited.

ENTRIES MADE PRIOR TO CLOSING

There are a few entries that should be done before the end of the fiscal year that will make the closing process a little smoother. Included are some examples for your reference.

Prepaid Expenditures

Object 9330 - Payments made in advance of the receipt and use of services.

STEP 1   Reverse (or adjust) any prior year closing entries.

Insurance premiums paid in the Prior Fiscal Year for the Current Fiscal Year of $1,500.

Account	Resource	Goal	Function	Object	Debit	Credit
Prepaid Expense	XXXX			9330	$1,500	
Insurance	XXXX	XXXX	XXXX	5400		$1,500

Account	Resource	Goal	Function	Object	Debit	Credit
Insurance	XXXX	XXXX	XXXX	5400	$1,500	
Prepaid Expense	XXXX			9330		$1,500

STEP 2   Establish *Current Fiscal Year* accrual. This will be done after June 30 with 06/30/XXXX (*Current Fiscal Year)* date.

Insurance premiums paid in the Current Fiscal Year for the Subsequent Fiscal Year of $2,000.

Account	Resource	Goal	Function	Object	Debit	Credit
Prepaid Expense	XXXX			9330	$2,000	
Insurance	XXXX	XXXX	XXXX	5400		$2,000

Unearned Revenue

Object 9650 - Revenue which has been received, but is unearned, as of June 30. Complete the FORM CAT to determine amount of unearned revenue.

GASB 65 - The use of the term "Deferred" should be limited to items reported as deferred outflows of resources or deferred inflow of resources. Thus, when discussing activity in 9650 we will use the term "unearned."

STEP 1 Reverse any remaining prior year closing entries. This reversal must be posted with a journal entry before June 30. Please remember to use the correct resource numbers when reversing the prior year's closing entries.

Example: Title I revenues exceeded expenditures on Form CAT for the Prior Fiscal Year causing the unearned revenue to be recognized in the Current Fiscal Year.

The unearned revenue entry in the Prior Fiscal Year was:

Account	Resource	Goal	Function	Object	Debit	Credit
All Other Federal Revenue	3010			8290	$3,000	
Unearned Revenue	3010			9650		$3,000

The reversing entry in the *Current Fiscal Year* is:

Account	Resource	Goal	Function	Object	Debit	Credit
Unearned Revenue	3010			9650	$3,000	
All Other Federal Revenue	3010			8290		$3,000

STEP 2 Establish the *Current Fiscal Year* closing entry. Use a journal with a June 30 date (*Current Fiscal Year*) to post this entry.

Example: Title I revenues exceeded expenditures on Form CAT for the Current Fiscal Year so excess revenue must be deferred to the Subsequent Fiscal Year.

Account	Resource	Goal	Function	Object	Debit	Credit
All Other Federal Revenue	3010			8290	$3,500	
Unearned Revenue	3010			9650		$3,500

Establishing Due To/Due From Accounts

STEP 1 Make sure that all expenditures are accounted for in the proper fund. If one fund owes another fund at year-end, establish a due to/due from account.

Object 931X - DUE FROM - (Asset) amount due from another district fund.

Object 961X - DUE TO - (Liability) amount due to another district fund.

The Due To (9611) in one district fund must equal the Due From (9311) in another district fund or the district general ledger will be out of balance. A tip when establishing Due To/Due From is to use sub-accounts.

STEP 2 EC 42603 requires that prior fiscal year due to/due from accounts must be repaid the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year.

Posting and Clearing "Due To/Due From" Transaction

Example 1: Interfund payroll adjustment (transfer that cross funds).

The district completes the following Journal Entry in PeopleSoft using source "PAJ."

Payroll adjustment from fund 01 to fund 11.

Account	Fund	Resource	Goal	Function	Object	Debit	Credit
Certificated Salaries	0100	XXXX	XXXX	XXXX	1XXX		$100
Benefits	0100	XXXX	XXXX	XXXX	3XXX		$20
Due from other funds	0100	XXXX			93XX	$120	
Certificated Salaries	1100	XXXX	XXXX	XXXX	1XXX	$100	
Benefits	1100	XXXX	XXXX	XXXX	3XXX	$20	
Due to other fund	1100	XXXX			96XX		$120

Example 2: Clear due to/ due from by creating an Auditor's Transfer (cash movement).

The district completes the following Journal Entry in PeopleSoft using source "AT."

Clear due to/due from.

Account	Fund	Resource	Goal	Function	Object	Debit	Credit
Due from other funds	0100	XXXX			93XX		$120
Due to other fund	1100	XXXX			96XX	$120	

4.5

CLEARING STATE AID APPORTIONMENT SUSPENSE
And Book LCFF Accrual

Apportionment Auditor Transfers are posted by Financial Accounting. Prior Year Recomputations & Adjustments are posted to suspense from Feb to June:

Example 1 PY Recomputations & Adjustments.
Posted to Suspense from *Feb to June*

Fund		Res	Obj		DR		CR
01-00	Suspense (PY)	9999	8999	$	165,473		
01-00	Cash	0000	9110			$	165,473

The district completes the following Journal Entries to clear the Apportionment suspense and set up year-end accruals:

Example 2 Clear Suspense/PY Recomputations & Adjustments for *Feb to June* - use current date but no later than 6/30.
Clear to PY accrual (AR O9290 or AP O9590)

Fund		Res	Obj		DR		CR
01-00	PY State Aid Accrual - Liability	0000	9590	$	165,473		
01-00	Suspense (PY)	9999	8999			$	165,473

* Any remainder balance of PY Recomputations & Adjustments is posted to object 8019, if any.

Fund		Res	Obj		DR		CR
01-00	PY State Aid Accrual - Liability	0000	9590	$	4,633		
01-00	State Aid - PY	0000	8019			$	4,633

Example 3 Accrue Current Year (liability or receivable) - use period 998 in PeopleSoft

Fund		Res	Obj		DR		CR
01-00	State Aid	0000	8011			$	658,905
01-00	CY State Aid Accrual - Receivable	0000	9590	$	658,865		
01-00	EPA	1400	8012	$	1,035,685		
01-00	CY EPA Accrual - Liability	1400	9590			$	1,035,685

* Use updated LCFF calculator after state budget is approved in July. Compare the Summary Accounts to your general ledger.

NOTE: Ignore prior year amounts in object 8019 for prior year LCFF and EPA adjustments. These are prior year revenue, and should not be factored in to the current year accrual.

2018-19 PRINCIPAL APPORTIONMENT
Feb 28

LCFF	03-00	0000-000		8011-000	406,828
New Charter in Lieu Property Tax	03-00	0000-000		8011-000	0
9.57% BA Reduction	03-00	9999-000		8999-000	0
Adjmts & PY Recomp	03-00	9999-000		8999-000	-165,473
Special Education	06	6500	5001	8792	389,104
					630,459

Date	Source	Journal ID	Amount	Fund	Resource	Resource Descr	Proj Year	Goal	Function	Object
7/1/2018	YEC	Prior year end liability accrual	(832,000.00)	0100	0000000	Unres.Res.				9590940
3/1/2019	DO	*February* Adjmts & PY Recomp	165,473.00	0100	0000000	Unres.Res.				9590000
3/29/2019	DO	*March* Adjmts & PY Recomp	165,473.00	0100	0000000	Unres.Res.				9590000
4/30/2019	DO	*April* Adjmts & PY Recomp	165,473.00	0100	0000000	Unres.Res.				9590000
5/30/2019	DO	*May* Adjmts & PY Recomp	165,473.00	0100	0000000	Unres.Res.				9590000
6/28/2019	DO	*June* Adjmts & PY Recomp	165,475.00	0100	0000000	Unres.Res.				9590000
			(4,633.00)	Difference to book to **O8019**						

	Projections per LCFF Calculator	Actuals	Difference
LCFF Apportionment:			
Property Taxes	$ 58,320,293	$ 58,320,293	
Current Year EPA	20,713,699	21,749,384	(1,035,685)
State Aid	98,213,865	97,555,000	658,865
Total	$ 177,247,857	$177,624,677	$ (376,820)
Liability due to State - EPA		$ (1,035,685)	
Recievable due from State - State Aid		$ 658,865	

Components of LCFF By Object Code

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
8011 - State Aid	$ 89,205,246	$ 98,213,865	$ 102,239,127	$ 107,024,847	$ 112,604,602	$ 118,271,482
8011 - Fair Share	-	-	-	-	-	-
8311 & 8590 - Categoricals	-	-	-	-	-	-
EPA (for LCFF Calculation purposes)	21,634,308	20,713,699	20,713,699	20,713,699	20,713,699	20,713,699
Local Revenue Sources:						
8021 to 8089 - Property Taxes	58,320,293	58,320,293	58,320,293	58,320,293	58,320,293	58,320,293
8096 - In-Lieu of Property Taxes	(6,395,902)	(6,395,902)	(6,395,902)	(6,395,902)	(6,395,902)	(6,395,902)
Property Taxes net of in-lieu	51,924,391	51,924,391	51,924,391	51,924,391	51,924,391	51,924,391
TOTAL FUNDING	$ 162,763,945	$ 170,851,955	$ 174,877,217	$ 179,662,937	$ 185,242,692	$ 190,909,572
Basic Aid Status	Non-Basic Aid	Non-Basic Aid	Non-Basic Aid	Non-Basic Aid	Non-Basic Aid	Non-Basic Aid
Less: Excess Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Less: EPA in Excess to LCFF Funding	$ -	$ -	$ -	$ -	$ -	$ -
Total Phase-In Entitlement	$ 162,763,945	$ 170,851,955	$ 174,877,217	$ 179,662,937	$ 185,242,692	$ 190,909,572
8012 - EPA Receipts *(for budget & cashflow)*	$ 21,634,308	$ 20,713,699	$ 20,713,699	$ 20,713,699	$ 20,713,699	$ 20,713,699

tion					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Unduplicated Pupil Population						

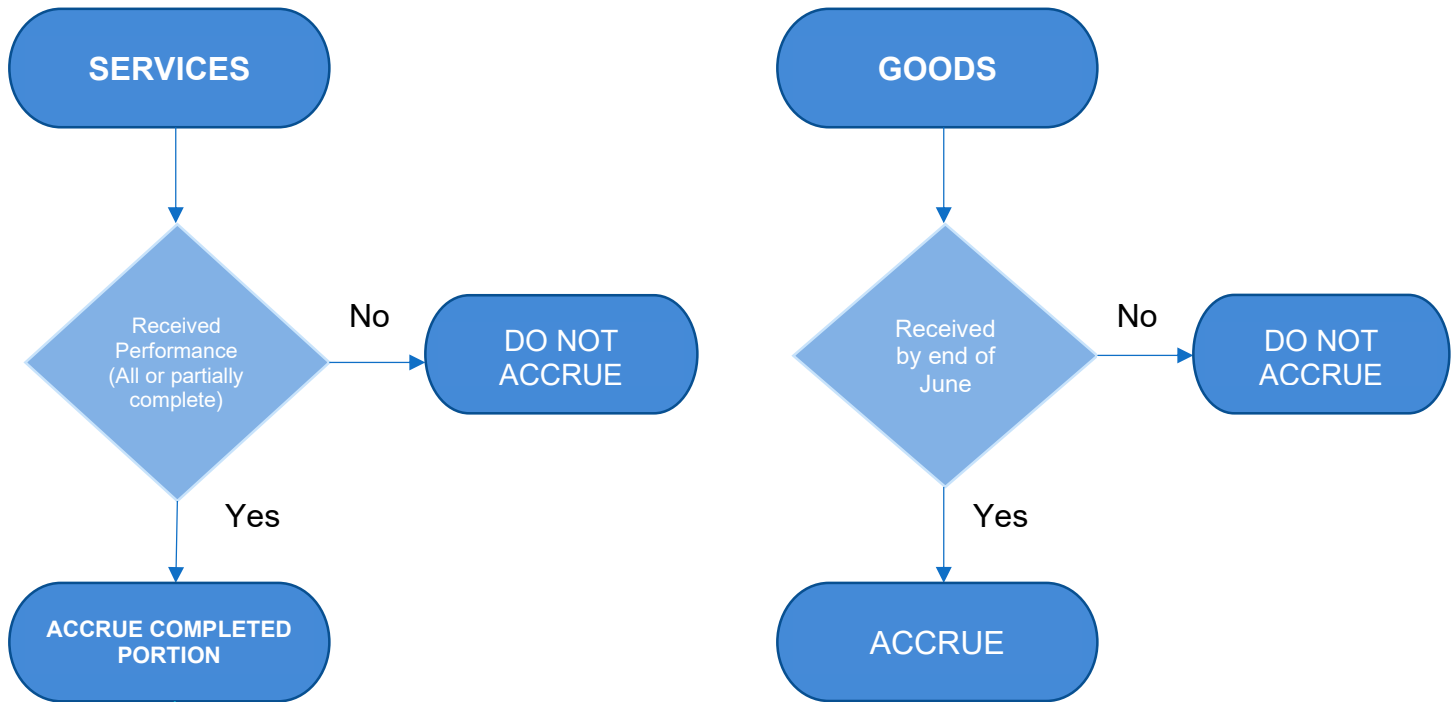| ‹ › | ... | District NSS | NSS Data | NSS Calculation | District In-Lieu Taxes | Calculator | EPA | LCAP | Summary | Graphs | Local |

4.6

CLOSING ENTRIES/ACCRUALS

After current liabilities (9510/9511) and accounts receivable (9201/9202) for the prior fiscal year are balanced, the closing entries must be made. This will bring the accounts to a zero balance. After this process is complete, expenditure accruals and income accruals for the current year may be input.

This section will cover transactions which appear on the schedule of expenditures accruals (9510) and income accruals (9201). There are some sample schedules for later use.

Expenditure Accruals

Object Account Code 9510 – Current Liabilities

```
   SERVICES                                    GOODS
      │                                          │
      ▼                                          ▼
  ◆ Received          No   ┌──────────┐     ◆ Received        No   ┌──────────┐
    Performance    ──────▶ │ DO NOT   │       by end of    ──────▶ │ DO NOT   │
    (All or partially      │ ACCRUE   │         June               │ ACCRUE   │
    complete) ◆            └──────────┘     ◆                       └──────────┘
      │                                          │
      │ Yes                                       │ Yes
      ▼                                          ▼
  ┌──────────────┐                          ┌──────────┐
  │ ACCRUE       │                          │ ACCRUE   │
  │ COMPLETED    │                          └──────────┘
  │ PORTION      │
  └──────────────┘
```

Examples:

Utilities: Up to and including those with mailing dates in June
Commercial Contracts: Amounts due for services received by the end of June
Wages & Benefits: Payroll and services performed by the end of June

Schedule of Accounts Payable Accrued

Accrued for FY: _____

SACS Fund: _____
(One fund per page)

SACS Account Code	Vendor Number	Vendor Name	Amount Accrued	Date of Payment	Amount Paid	Difference (if any)	SACS Account Charged for Difference

Income Accruals

Object Account Code 9210 – Accounts Receivable

```
┌─────────────┐
│   INCOME    │
│   ACCRUAL   │
└─────────────┘
       │
       ▼
   ◇ Excluded ◇ ──No──► ◇ Earned ◇ ──No──► ◇ Received ◇ ──No──► ┌──────────────┐
                                                                 │  DO NOT      │
       │                    │                    │               │  ACCRUE      │
      Yes                  Yes                  Yes               └──────────────┘

┌──────────────┐    ┌──────────────┐    ┌──────────────────────┐
│ DO NOT ACCRUE│    │   ACCRUE     │    │ ABATE INCOME &       │
│              │    │              │    │ BOOK PAYABLE         │
└──────────────┘    └──────────────┘    └──────────────────────┘
```

Examples:

Property Taxes
Developer Fees
Deferred Maintenance

Examples:

LCFF Recalculation

Claims against CSSF for Contract Services during the Prior Fiscal Year (ie: ROP & Migrant Education)

Some Federal Revenues
Some State Revenues
Some Local Revenues
FORM CAT
Lottery Revenues
Interest – 4th Quarter

Examples:

LCFF Recalculation
(in case of decrease)

Schedule of Accounts Receivable Accrued

Accrued for FY: _____   **SACS Fund: _____**

(One fund per page)

SACS Account Code	Amount Accrued	Date Income Received	Amount Received	Difference (if any)	SACS Account Charged for Difference

Accrual Samples

A. Current year LCFF should be decreased by $100,000 due to a higher collection of property taxes than J-29B estimate submitted by Property Tax Services Division of the County Auditor:

Account	Resource	Goal	Function	Object	Debit	Credit
A/R	XXXX			9201	$100,000	
State Aid	XXXX			8011		$100,000

B. Unpaid invoices of $20,000 for merchandise or services received by June 30:

Account	Resource	Goal	Function	Object	Debit	Credit
Books & Supplies	XXXX	XXXX	XXXX	4000	$6,000	
Svc/Operating Exp	XXXX	XXXX	XXXX	5000	$4,000	
Capital Outlay	XXXX	XXXX	XXXX	6000	$10,000	
Current Liabilities	XXXX			9510		$20,000

C. Additional unposted expenditures for July payroll which were not included in the automated payroll accrual process:

Account	Resource	Goal	Function	Object	Debit	Credit
Certificated Salaries	XXXX	XXXX	XXXX	1000	$16,000	
Classified Salaries	XXXX	XXXX	XXXX	2000	$5,000	
Employee Benefits	XXXX	XXXX	XXXX	3000	$2,100	
Current Liabilities	XXXX			9510		$23,100

D. Developer fees received in the Current Fiscal Year to be refunded in the Subsequent Fiscal Year:

Account	Resource	Goal	Function	Object	Debit	Credit
Developer Fees	XXXX			8681	$1,000	
Current Liabilities	XXXX			9510		$1,000

E. Accrue reimbursement due for Child Nutrition Program for the current Fiscal Year:

Account	Resource	Goal	Function	Object	Debit	Credit
A/R	XXXX			9201	$200,000	
Child Nutrition	XXXX			8220		$200,000

F. The following expenditures should have been abated in the Current Fiscal Year for a reimbursement received for lost books (see CSAM Procedure 560 for Abatement of Expenditures):

Account	Resource	Goal	Function	Object	Debit	Credit
A/R	XXXX			9201	$4,000	
Books & Supplies	XXXX	XXXX	XXXX	4000		$4,000

San Diego County's Historical Interest Rates
2010 through 2020
Annualized Rates by Quarter and Year

Fiscal Year	1st Quarter JUL-SEP	2nd Quarter OCT-DEC	3rd Quarter JAN-MAR	4th Quarter APR-JUN	Average Annual Rate
2011/12	0.575%	0.556%	0.383%	0.363%	0.469%
2012/13	0.435%	0.351%	0.346%	0.791%	0.481%
2013/14	0.312%	0.319%	0.356%	0.394%	0.345%
2014/15	0.360%	0.410%	0.452%	0.391%	0.403%
2015/16	0.483%	0.690%	0.557%	0.574%	0.576%
2016/17	0.872%	0.860%	1.172%	1.193%	1.024%
2017/18	1.256%	1.404%	1.557%	1.837%	1.514%
2018/19	1.951%	2.184%	2.370%	2.435%	2.235%
2019/20	2.258%	2.118%	2.015%	1.679%	2.018%
2020/21	1.339%	0.961%	0.841%		1.047%

10 Year Average	1.011%

Historical Interest Rate
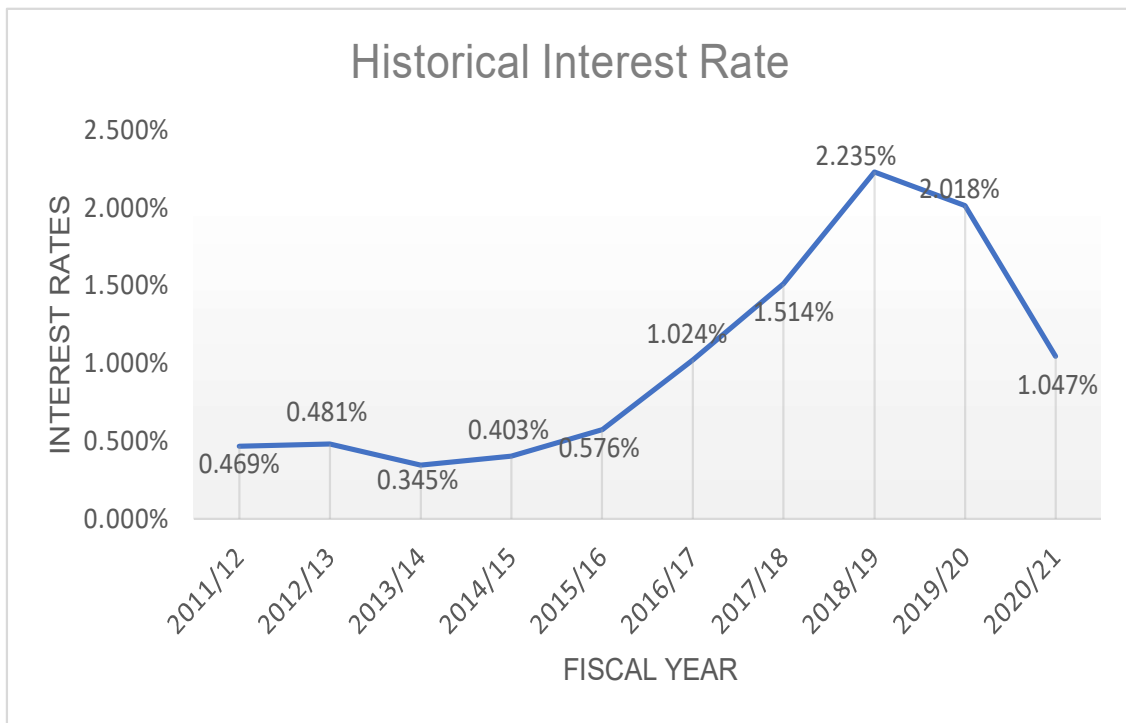
Petty Cash Reconciliation

Period Ending: _____

Denomination	Count	Amount
$20.00		
$10.00		
$5.00		
$2.00		
$1.00		
$0.50		
$0.25		
$0.10		
$0.05		
$0.01		

Total Cash on Hand   A. | 0

B.   Reimbursable Vouchers on Hand

Date	Payee	Purpose	Amount

Total Vouchers on Hand   B. | 0

C.   Other Items

Item & Explanation	Amount

Total Other Items   C. | 0

Total Petty Cash   **A + B + C =** | 0

Revolving Cash Reconciliation

School District: _____   Period Ending: _____

A.   **Balance in Checking Account**   A. ☐

B.   **Cash on Hand**   B. ☐

C.   **Checks Written that have NOT been reimbursed by Commerical Warrant**

Check Number	Payee	Purpose	Amount

Total Unreimbursed Checks   C. ☐

D.   **Deposits in Transit**   D. ☐

E.   **Other Items (e.g. Voided Checks)**

Items and Explanation	Amount

Total Other Items   E. ☐

Total Revolving Cash   A + B + C + D + E ☐

* This amount must agree with the amount in 9130, Revolving Cash   9130 ☐
and the amount on file in the Commerical Warrant Audit Unit.

Revolving Cash Fund Custodian _____

** This must agree with the name on file in the Commercial Warrant Audit Unit

5.9

PAYROLL ACCRUALS

Wages and benefits for time worked prior to July 1st that are unpaid as of June 30th need to be accrued. This section will cover the manual process of accruing payroll information based on 9910 (payroll holding) account balances. Sample entries are included in this section to use for reference

Payroll Accrual Samples

A. <u>June time paid in July</u>: district enters timesheet with June (or prior months) date. July payroll is confirmed and processed. All prior year payroll is compiled into a journal entry with source "PAC" and posted as of June 30 with period 998.

June 30 PAC – Accrual Entry

Account	Resource	Goal	Function	Object	Debit	Credit
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999	$15,000	
Current Liabilities				9510		$15,000

The payroll account entry will reverse on July 1st.

July 1 PAC Reversal – Accrual Reversal

Account	Resource	Goal	Function	Object	Debit	Credit
Current Liabilities				9510	$15,000	
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999		$15,000

Note: The current liability is now cleared. Negative amounts are reflected in the payroll expenditure accounts for June payroll accruals.

An accrual report will be provided to each district.

July payroll will run with the normal monthly process. All payroll expenditures will debit objects 1000-3999, including prior year amounts. The prior year amounts will net to zero with the July 1 PAC reversal entry above.

July 31 PAY – July Payroll

Account	Resource	Goal	Function	Object	Debit	Credit
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999	$120,000	
Payroll Suspense	XXXX			9910-000		$105,000
FICA	XXXX			9910-331		$5,000
Medicare	XXXX			9910-332		$4,000
H&W	XXXX			9910-340		$3,000
W/C	XXXX			9910-360		$2,000
Other Benefits	XXXX			9910-390		$1,000

B. Payroll Benefits Accruals – STRS & PERS: district enters journal entry with June 30 date and period 998 for outstanding STRS and PERS amounts.

June 30 Accrual – Outstanding STRS & PERS

Account	Resource	Goal	Function	Object	Debit	Credit
STRS Suspense	XXXX			9910-311	$2,000	
PERS Suspense	XXXX			9910-321	$1,000	
Current Liabilities	XXXX			9510		$3,000

The payroll benefits account entry should be reverse on July 1st

July 1 Accrual Reversal – Outstanding STRS & PERS

Account	Resource	Goal	Function	Object	Debit	Credit
Current Liabilities	XXXX			9510	$3,000	
STRS Suspense	XXXX			9910-311		$2,000
PERS Suspense	XXXX			9910-321		$1,000

Note: Accrue the estimate and the final transfers for STRS and PERS. If there is a difference between the payroll posting and the cash transfers, increase or decrease the appropriate 31XX or 32XX accounts. Any other STRS or PERS transfers for adjustments should also be accrued using the appropriate expenditure accounts.

C. Payroll Benefit Accruals – SUI: district enters journal entry with June 30 date and period 998 for outstanding SUI amounts. Although, SUI charges accrue at every payroll, the cash transfer is generally completed within two weeks following the end of each quarter.

June 30 Accrual – SUI

Account	Resource	Goal	Function	Object	Debit	Credit
SUI Suspense	XXXX			9910-350	$2,000	
Current Liabilities	XXXX			9510		$2,000

The payroll benefits account entry should be reverse on July 1st

July 1 Accrual Reversal – SUI

Account	Resource	Goal	Function	Object	Debit	Credit
SUI Suspense	XXXX			9910-350		$2,000
Current Liabilities	XXXX			9510	$2,000	

Note: If there is a difference between the payroll posting and the cash transfers, increase or decrease the appropriate 35XX accounts.

DIRECT AND INDIRECT COST

Direct costs are charged to the appropriate programs, while direct and indirect support charges are distributed for support service programs to various user programs. These accounting procedures provide the means for assessing the fiscal impact of operating such programs. This section will cover the differences between the charges and methods of accounting for them.

An excellent reference is the California School Accounting Manual. Procedures 320, 325, 910 and 915 cover direct, direct support, and indirect costs accounting methods in detail.

The United States Department of Education (USDE) has approved a cost allocation plan for California which will govern the methodology for determining restricted indirect cost rates for school districts, charter schools, and county offices of education.

Direct Cost

Direct costs are expenses that can be separately identified and charged as part of the cost of a product, service, or department. Typical direct costs include items such as instructional materials printed in the district print shop, fuel, oil and repairs of district vehicles, centralized data processing services, in-house equipment repairs, and field trips.

Calculating Direct Costs

Direct costs can be calculated using different methods, which are described in the accounting manual. An example is a charge to district administration for the printing of workshop materials.

Intrafund Direct Costs

When direct costs are charged to programs within the same fund, object code **5710** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 5710 accounts must have a zero balance for each fund**.

The following is a sample entry charging Title I for School Choice Transportation:

Account	Fund	Resource	Goal	Function	Object	Site	Debit	Credit
School Choice - Program Impr	0100	3010	1110	3600	5710	000	$XXX	
Cash	0100	3010			9110			$XXX
HTS Transportation	0100	0000	0000	3600	5710	000		$XXX
Cash	0100	0000			9110		$XXX	

Interfund Direct Costs

When direct costs are charged to another fund, such as, Child Nutrition, Child Development, or the Adult Education Fund, object code **5750** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 5750 accounts must have a zero balance across all funds**.

The following is a sample entry charging the child development program for printing:

Account	Fund	Resource	Goal	Function	Object	Site	Debit	Credit
Child Dev-Print Charges	1200	0000	0000	0000	5750	000	$XXX	
Cash	1200	0000			9110			$XXX
Print Shop	0100	0000	0000	7200	5750	000		$XXX
Cash	0100	0000			9110		$XXX	

Direct Support Costs

Direct support costs are charges for a support program and services that directly benefit other programs. These are costs identified in provider programs that can be transferred to user programs during the year. Typical direct support costs are for supervision, utilities, and psychological and nursing services.

Intrafund Direct Support Costs

When direct support costs are charged to programs within the same fund, object code **5710** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 5710 accounts must net to a zero by function and fund**.

The following is a sample entry:

Account	Fund	Object	Debit	Credit
Special Education Assessment	0100	5710	$XXX	
Pupil Services Special Education Assessment	0100	5710		$XXX

Interfund Direct Support Costs

When direct support costs are charged to the Cafeteria, Child Development or Adult Education Funds, object code **5750** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 5750 accounts must net to zero by object and function**.

The following is a sample entry:

Account	Fund	Object	Debit	Credit
Developer Fees - Administrative Expenses	2519	5750	$XXX	
Cash	2519	9110		$XXX
General Fund - Administrative Expenses	0100	9110	$XXX	
Cash	0100	5750		$XXX

Intrafund Indirect Costs

When indirect costs are charged to programs within the same fund, object code **7310** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 7310 accounts must have a zero balance by fund**.

Account	Fund	Resource	Goal	Function	Object	Site	Debit	Credit
Title I	0100	3010	1110	7210	7310	000	$XXX	
GF	0100	0000	0000	7210	7310	000		$XXX

Interfund Indirect Costs

When indirect costs are charged to programs within the Child Nutrition, Child Development or Adult Education Funds, object code **7350** is used. The program receiving the service is charged (a debit entry) and the program providing the service is credited. **The total of all 7350 accounts must be a zero balance**.

The following is a sample entry:

Account	Fund	Resource	Goal	Function	Object	Site	Debit	Credit
Food Services	1300	5310	0000	7210	7350	000	$XXX	
Cash	1300	5310			9110			$XXX
GF	0100	0000	0000	7210	7350	000		$XXX
Cash	0100	0000			9110		$XXX	

California Department of Education
Official Letter

April 16, 2021

Dear County Chief Business Officials:

2021-22 Approved Indirect Cost Rates

As the agency authorized by the United States Department of Education to approve California kindergarten through grade twelve (K–12) local educational agency (LEA) indirect cost rates, the California Department of Education (CDE) has reviewed the 2019–20 standardized account code structure (SACS) expenditure data and has finalized the approved indirect cost rates. The rates are for use, as allowable, with 2021–22 federal and state programs.

Approved Indirect Cost Rates

Please advise the school districts and joint powers agencies (JPAs) in your county that the indirect cost rates are posted on the CDE Indirect Cost Rate (ICR) web page at http://www.cde.ca.gov/fg/ac/ic/index.asp.

Indirect Cost Rates for JPAs

As a reminder, because JPAs do not generally meet the guidelines for receiving approved indirect cost rates, they are not given an approved rate unless it is requested during the SACS data submission process. For further information on indirect cost rates applicable to JPAs, including the guidelines that must be met to receive an indirect cost rate, see Procedure 805 of the California School Accounting Manual which is available on the CDE Accounting Definitions, Instructions & Procedures web page at http://www.cde.ca.gov/fg/ac/sa/index.asp.

Charter School Indirect Cost Rates

The approved 2021–22 indirect cost rates for charter schools are also posted on the ICR web page listed above. Please share them with the applicable school districts and charter schools.

7.6

Statewide Average Indirect Cost Rates

The 2021–22 statewide average indirect cost rate is 5.48 percent.

California Education Code Section 38101(c) limits food service program indirect costs to amounts derived using the lesser of a school district's approved indirect cost rate or the statewide average indirect cost rate. Each district should compare this statewide average rate with its individual indirect cost rate to determine the lesser rate for use with this program.

A listing showing the statewide average rates for the last five years is also available on the ICR web page listed above.

SACS Query Page

To aid staff in identifying the allowable indirect cost rates for various programs, the SACS Query system available on the CDE Standardized Account Code Structure (SACS) web page at http://www.cde.ca.gov/fg/ac/ac/index.asp includes this information for most programs.

If you have any questions regarding the indirect cost rates, please contact our office by email at sacsinfo@cde.ca.gov.

Sincerely,

/s/

Jonathan Feagle, Administrator
Fiscal Oversight and Support Office

JF:dm
2021-2701

Last Reviewed: Friday, April 16, 2021

7.7

2021–22 Restricted Indirect Cost Rates for K–12 Local Educational Agencies (LEAs) – Five Year Listing
California Department of Education (CDE) - School Fiscal Services Division
Rates approved based on standardized account code structure expenditure data
As of April 16, 2021
C: County
CA: Common Administration
D: District
J: Joint Powers Agency
Non Op : Closed or LEA not yet operational

Approved Rates. For use with state and federal programs, as allowable in:

County Code	LEA Code	Type	LEA Name	2017–18 (based on 2015–16 expenditure data)	2018–19 (based on 2016–17 expenditure data)	2019–20 (based on 2017–18 expenditure data)	2020–21 (based on 2018–19 expenditure data)	2021–22 (based on 2019–20 expenditure data)
37	67967	D	Alpine Union Elementary	7.39%	6.85%	6.04%	5.12%	6.30%
37	76851	D	Bonsall Unified	8.70%	5.35%	5.87%	3.40%	4.58%
37	67983	D	Borrego Springs Unified	6.91%	5.94%	9.47%	11.95%	8.14%
37	67991	D	Cajon Valley Union	6.31%	7.23%	6.91%	6.26%	6.60%
37	68007	D	Cardiff Elementary	4.27%	3.46%	3.63%	4.52%	5.76%
37	73551	D	Carlsbad Unified	6.25%	6.22%	5.93%	6.31%	6.23%
37	68023	D	Chula Vista Elementary	3.57%	4.26%	4.04%	3.39%	4.06%
37	68031	D	Coronado Unified	4.81%	5.39%	4.64%	4.22%	4.51%
37	68049	D	Dehesa Elementary	5.43%	5.21%	7.45%	11.81%	6.80%
37	68056	D	Del Mar Union Elementary	6.84%	4.47%	5.62%	6.70%	7.99%
37	68080	D	Encinitas Union Elementary	6.41%	6.33%	5.87%	3.82%	4.41%
37	68098	D	Escondido Union Elementary	4.71%	5.46%	5.19%	6.82%	5.45%
37	68106	D	Escondido Union High	5.30%	5.19%	5.02%	4.94%	6.28%
37	68114	D	Fallbrook Union Elementary	8.06%	6.92%	7.22%	7.00%	7.06%
37	68122	D	Fallbrook Union High	6.37%	7.70%	7.27%	5.30%	7.80%
37	68130	D	Grossmont Union High	6.26%	7.08%	6.28%	5.90%	6.38%
37	68155	D	Jamul-Dulzura Union Elementary	11.32%	8.73%	7.57%	7.48%	8.77%
37	68163	D	Julian Union Elementary	2.79%	4.36%	6.34%	5.70%	5.61%
37	68171	D	Julian Union High	10.54%	7.56%	8.73%	9.35%	9.18%
37	68197	D	La Mesa-Spring Valley Elementary	4.59%	4.85%	4.76%	4.83%	5.65%
37	68189	D	Lakeside Union Elementary	9.67%	8.71%	8.51%	7.02%	6.44%
37	68205	D	Lemon Grove	5.08%	10.10%	9.43%	7.86%	10.29%
37	68213	D	Mountain Empire Unified	4.76%	4.83%	4.23%	4.21%	3.22%
37	68221	D	National Elementary	7.41%	8.71%	8.10%	5.96%	8.57%
37	73569	D	Oceanside Unified	4.13%	5.73%	6.13%	4.50%	4.64%
37	68296	D	Poway Unified	4.84%	4.80%	4.85%	5.51%	5.45%
37	68304	D	Ramona City Unified	8.55%	6.79%	6.51%	9.05%	7.49%
37	68312	D	Rancho Santa Fe Elementary	9.89%	9.60%	12.54%	7.84%	11.62%
37	10371	C	San Diego County Superintendent	9.49%	9.40%	9.53%	9.44%	9.49%
37	68338	D	San Diego Unified	3.98%	3.38%	2.68%	2.86%	3.76%
37	68346	D	San Dieguito Union High	4.87%	5.40%	5.66%	5.55%	6.87%
37	73791	D	San Marcos Unified	3.54%	3.93%	3.82%	3.42%	4.47%
37	68353	D	San Pasqual Union Elementary	5.23%	4.67%	4.11%	4.19%	4.78%
37	68379	D	San Ysidro Elementary	8.50%	10.71%	9.73%	8.34%	5.86%
37	68361	D	Santee Elementary	7.26%	5.96%	4.61%	6.37%	5.50%
37	68387	D	Solana Beach Elementary	10.64%	9.04%	4.43%	5.37%	6.86%
37	68395	D	South Bay Union Elementary	5.12%	6.65%	7.47%	7.06%	7.57%
37	68403	D	Spencer Valley Elementary	2.00%	2.92%	3.36%	4.46%	3.27%
37	68411	D	Sweetwater Union High	6.01%	8.65%	5.52%	5.18%	5.15%
37	68437	D	Vallecitos Elementary	6.75%	7.69%	11.77%	7.22%	7.30%
37	75614	D	Valley Center-Pauma Unified	3.90%	6.60%	6.92%	5.64%	6.50%
37	68452	D	Vista Unified	4.92%	6.05%	5.34%	4.27%	4.94%
37	75416	D	Warner Unified	7.94%	8.97%	9.02%	12.79%	13.00%

2021–22 Indirect Cost Rates - Charter Schools
California Department of Education (CDE) - School Fiscal Services Division

Approved April 2021 by CDE based on 2019–20 standardized account code structure expenditure data
(New charter schools not yet on the list may use the 2021–22 statewide average rate of 5.48%)
As of April 16, 2021

County Code	District Code	School Code	Charter School Name (sorted by county-district-school code)	2021–22 Approved Rates (for use with state and federal programs, as allowable)
37	68338	6120935	Albert Einstein Academy Charter Elementary	5.48%
37	68338	0111898	Albert Einstein Academy Charter Middle	5.48%
37	75416	6119275	All Tribes Charter	5.48%
37	75416	0122796	All Tribes Elementary Charter	5.48%
37	68338	0136663	America's Finest Charter	5.48%
37	68023	6116859	Arroyo Vista Charter	4.06%
37	68338	3731395	Audeo Charter	5.48%
37	77032	0134577	Audeo Charter II	5.48%
37	68106	0137034	Audeo Charter School III	5.48%
37	68189	6120901	Barona Indian Charter	6.44%
37	77172	0138099	Baypoint Preparatory Academy - San Diego	5.48%
37	68452	0128223	Bella Mente Montessori Academy	5.48%
37	68163	0139402	Brookfield Engineering Science Technology Academy	5.48%
37	68049	0132506	Cabrillo Point Academy	5.48%
37	68049	0136747	California Academy of Sports Science	0.00%
37	75416	0132472	California Pacific Charter - San Diego	5.48%
37	68403	6120893	California Virtual Academy @ San Diego	5.48%
37	68338	3730959	Charter School of San Diego	5.48%
37	68023	6115778	Chula Vista Learning Community Charter	4.06%
37	68338	0124347	City Heights Preparatory Charter	5.48%
37	68098	6116776	Classical Academy	5.48%
37	68106	0111195	Classical Academy High	5.48%
37	10371	0138404	Classical Academy Vista	5.48%
37	73569	0136267	Coastal Academy Charter	5.48%
37	77164	0137356	College Preparatory Middle	5.48%
37	10371	0137695	Community Montessori	5.48%
37	68213	0127084	Compass Charter Schools of San Diego	5.48%
37	68338	6039457	Darnall Charter	5.48%
37	68049	0136614	Diego Hills Central Public Charter	8.94%
37	68163	0137109	Diego Valley East Public Charter	5.48%
37	10371	0137752	Dimensions Collaborative	5.48%
37	68023	6111322	Discovery Charter	4.06%
37	68338	0127647	e3 Civic High	5.48%
37	67991	0108563	EJE Elementary Academy Charter	5.48%
37	67991	0119255	EJE Middle Academy	5.48%
37	68338	0129395	Elevate	5.48%
37	68213	0136978	Elite Academic Academy - Mountain Empire	5.48%
37	68338	0129387	Empower Charter	5.48%
37	68098	0133991	Epiphany Prep Charter	5.48%
37	68106	3731023	Escondido Charter High	5.48%
37	75416	0139386	Excel Academy Charter	5.48%
37	68023	6037956	Feaster (Mae L.) Charter	4.06%
37	68338	0119610	Gompers Preparatory Academy	5.48%
37	68155	6117303	Greater San Diego Academy	8.77%
37	77099	0136077	Grossmont Secondary	5.48%
37	68452	0124917	Guajome Learning Center	5.48%
37	68452	3730942	Guajome Park Academy Charter	5.48%
37	68163	0128421	Harbor Springs Charter	11.74%
37	68338	6040018	Harriet Tubman Village Charter	5.48%
37	68411	0126086	Hawking S.T.E.A.M. Charter	5.48%
37	68338	0114462	Health Sciences High	5.48%
37	68338	0128066	Health Sciences Middle	5.48%
37	68130	3732732	Helix High	5.48%
37	68098	0101535	Heritage K-8 Charter	5.48%
37	68338	0131565	High Tech Elementary	5.48%
37	76471	0123059	High Tech Elementary Chula Vista	5.48%
37	68338	6117683	High Tech Elementary Explorer	5.48%
37	76471	0138776	High Tech Elementary Mesa	5.48%
37	76471	0127605	High Tech Elementary North County	5.48%
37	68338	3731247	High Tech High	5.48%
37	76471	0114678	High Tech High Chula Vista	5.48%

2021–22 Indirect Cost Rates - Charter Schools
California Department of Education (CDE) - School Fiscal Services Division

Approved April 2021 by CDE based on 2019–20 standardized account code structure expenditure data
(New charter schools not yet on the list may use the 2021–22 statewide average rate of 5.48%)
As of April 16, 2021

37	68338	0106732	High Tech High International	5.48%
37	68338	0108787	High Tech High Media Arts	5.48%
37	76471	0137067	High Tech High Mesa	5.48%
37	76471	0114694	High Tech High North County	5.48%
37	68338	0101204	High Tech Middle	5.48%
37	76471	0123042	High Tech Middle Chula Vista	5.48%
37	68338	0107573	High Tech Middle Media Arts	5.48%
37	76471	0138768	High Tech Middle Mesa	5.48%
37	76471	0119271	High Tech Middle North County	5.48%
37	68338	6117279	Holly Drive Leadership Academy	5.48%
37	68023	0124321	Howard Gardner Community Charter	5.48%
37	68338	0108548	Iftin Charter	5.48%
37	68395	6040505	Imperial Beach Charter	7.57%
37	68338	0131979	Ingenuity Charter	5.48%
37	68338	0118083	Innovations Academy	5.48%
37	68403	0125401	Insight @ San Diego	5.48%
37	68221	0101360	Integrity Charter	8.57%
37	68163	0138628	JCS - Cedar Cove	9.32%
37	10371	0138792	JCS - Manzanita	5.48%
37	68163	0138156	JCS - Mountain Oaks	7.52%
37	68213	0138636	JCS - Pine Valley	5.48%
37	68163	3731239	Julian Charter	16.04%
37	68338	0126730	Kavod Charter	5.48%
37	68338	6039812	Keiller Leadership Academy	5.48%
37	67991	0139394	Kidinnu Academy	5.48%
37	68338	6119598	King-Chavez Academy of Excellence	5.48%
37	68338	0109033	King-Chavez Arts Academy	5.48%
37	68338	0109041	King-Chavez Athletics Academy	5.48%
37	68338	0118851	King-Chavez Community High	5.48%
37	68338	0111906	King-Chavez Preparatory Academy	5.48%
37	68338	6040190	King-Chavez Primary Academy	5.48%
37	68338	0101345	KIPP Adelante Preparatory Academy	5.48%
37	68338	0106799	Learning Choice Academy	5.48%
37	68023	0138073	Learning Choice Academy - Chula Vista	5.48%
37	68023	0119594	Leonardo da Vinci Health Sciences Charter	5.48%
37	10371	6119119	Literacy First Charter	5.48%
37	68411	3731304	MAAC Community Charter	5.48%
37	68338	0109157	Magnolia Science Academy San Diego	5.48%
37	68338	6113211	McGill School of Success	5.48%
37	68049	0129221	MethodSchools	5.48%
37	68213	0129668	Motivated Youth Academy	5.48%
37	68023	6037980	Mueller Charter (Robert L.)	4.06%
37	68338	6115570	Museum	5.48%
37	68338	0137802	National University Academy 1001 STEAM	5.48%
37	10371	0138594	National University Academy Dual Language Institute	5.48%
37	68395	6040513	Nestor Language Academy Charter	7.57%
37	68452	0114264	North County Trade Tech High	5.48%
37	68338	0123778	Old Town Academy K-8 Charter	5.48%
37	68049	0136416	Pacific Coast Academy	5.48%
37	10371	0138016	Pacific Springs Charter	4.92%
37	73569	3731221	Pacific View Charter	5.48%
37	75416	0139451	Pathways Academy Charter - Adult Education	5.48%
37	73791	0138222	Pivot Charter School - San Diego II	5.48%
37	68338	3731189	Preuss School UCSD	5.48%
37	68189	3731072	River Valley Charter	6.44%
37	75416	0139378	Sage Oak Charter - South	5.48%
37	68338	6119168	San Diego Cooperative Charter	5.48%
37	75416	0138651	San Diego Mission Academy	5.48%
37	68213	0123224	San Diego Virtual	5.48%
37	67983	0134890	San Diego Workforce Innovation High	5.48%
37	10371	0136085	Scholarship Prep - Oceanside	5.48%
37	68338	0122788	School for Entrepreneurship and Technology	5.48%
37	10371	0136192	School of Universal Learning (SOUL)	5.48%
37	68338	0121681	SD Global Vision Academy	5.48%
37	68452	0106120	SIATech	5.48%
37	68197	0136408	Sparrow Academy	5.48%
37	68130	3731262	Steele Canyon High	5.48%
37	77107	0136473	Sweetwater Secondary	5.48%

2021–22 Indirect Cost Rates - Charter Schools
California Department of Education (CDE) - School Fiscal Services Division

Approved April 2021 by CDE based on 2019–20 standardized account code structure expenditure data
(New charter schools not yet on the list may use the 2021–22 statewide average rate of 5.48%)
As of April 16, 2021

37	68049	0127118	The Heights Charter	5.48%
37	68130	0139063	The Learning Choice Academy - East County	5.48%
37	68338	6061964	The O'Farrell Charter	5.48%
37	68049	0138313	University Prep	0.00%
37	68338	0135913	Urban Discovery Academy Charter	5.48%
37	77156	0137323	Vista Springs Charter	5.68%
37	76851	6113468	Vivian Banks Charter	4.58%

INTERFUND TRANSFERS

This section is a reference for transfers of funds or expenditures between funds that are permanent. A temporary transfer of funds is known as an interfund loan and is covered in section 13 Temporary Borrowing.

Interfund transfers are flows of assets between funds without equivalent flows of assets in return and without a requirement for repayment. Interfund transfers are not used to account for interfund loans or borrowing. The two major categories of interfund transfers are:

1.   Residual equity transfers. Residual equity transfers are nonrecurring or nonroutine transfers of equity between funds. Examples of transfers of this type are (a) transfers of residual balances of discontinued funds to the general fund; and (b) nonroutine contributions of internal service fund capital by the general fund.

2.   Operating transfers. Operating transfers, which comprise all interfund transfers other than residual equity transfers, are routine, legally authorized transfers between funds. Examples of operating transfers are (a) transfers from the general fund to a special revenue or capital projects fund; and (b) operating subsidy transfers from the general fund to an enterprise fund.

Both residual equity transfers and operating transfers are nonreciprocal interfund activities. Reciprocal interfund activities, such as interfund loans or borrowing and interfund services provided and used, are not recorded as interfund transfers.

Interfund transfers are not classified as expenditures; instead they are classified as other financing uses, because they do not decrease the financial resources of the LEA as a whole. They represent a transfer of existing resources between funds.

Interfund transfer accounts are closed at the end of the fiscal year in the same manner as that used for closing expenditure accounts.

Object account numbers 7600–7629 are used to record an LEA's interfund transfers out.

Interfund Transfers In & Out

The total of all Interfund Transfers **In** must equal the total of all Interfund Transfers **Out** on the SACS Software Financial Reports. The following is a list of accounts the transactions are posted to:

Interfund Account Description	Debit Transfer Out	Credit Transfer In
From General to Child Development	7611	
To Child Development from General		8911
Interfund Transfers between General	7612	
and Special Reserve Funds 17, 20 & 40		8912
From Authorized District Fund	7613	
To State School Building Fund/ County School Facilities Fund		8913
From Bond Interest and Redemption	7614	
To General Fund		8914
From General Fund	7616	
To Cafeteria Fund		8916
From Authorized District Fund	7619	
To Authorized District Fund		8919

NOTE: In SACS, use goal 0000 and function 9300 (Other Outgo) to record the Transfers Out. (Transfers In do not need the goal or function fields).

Interfund Transfers In and Out
Continued

1. The following is a sample interfund cash transfer entry before June 30:

Account	Fund	Object	Debit	Credit
Cash	4000	9110	$200,000	
I/F Transfers In	4000	8912		$200,000
I/F Transfers Out	0100	7612	$200,000	
Cash	0100	9110		$200,000

2. The following is a sample Due To/Due From Journal Entry after June 30:

Account	Fund	Object	Debit	Credit
Due From Other Funds	4000	9311	$200,000	
I/F Transfers In	4000	8912		$200,000
I/F Transfers Out	0100	7612	$200,000	
Due to Other Funds	0100	9611		$200,000

3. The following is a sample Auditor's Transfer in the subsequent year to clear prior year Due To/Due From:

Account	Fund	Object	Debit	Credit
Cash	4000	9110	$200,000	
Due From Other Funds-PY	4000	9312		$200,000
Due To Other Funds-PY	0100	9612	$200,000	
Cash	0100	9110		$200,000

CATEGORICAL PROGRAMS

Categorical programs include grants, entitlements and other financial assistance received by a school district from governmental or other entities. These programs are designed to fund specific activities such as special education costs. All costs charged to categorical programs must comply with the requirements of the program.

Note: Please refer to the California School Accounting Manual (CSAM), Procedure 310. **U/F** refers to whether the resource is a grant or an entitlement. **U** stands for unearned revenue and represents a grant. **F** stands for fund balance and represents an entitlement.

Characteristics of Categorical Programs:

- Governed by additional laws and regulations
- Accounting requirements under GASB
- Additional fiscal management
- Additional reporting
- Additional audit reporting

Sources of Categorical Programs

- **Federal Government:** Federal categorical programs may run on the federal fiscal year of October 1 to September 30. Funds are received primarily from the U.S. Department of Education. Federal categorical programs may also come from other federal agencies such as the U.S. Department of Labor. Examples of federal categorical programs include Every Student Succeeds Act (ESSA) programs and Individuals with Disabilities Education Act (IDEA) programs.

- **State of California:** Examples: Special Education and After School Education and Safety (ASES). State categorical programs operate on a fiscal year of July 1 to June 30.

- **Pass through federal categorical programs:** For pass through grants, the State of California is the recipient organization and the school district is the sub-recipient. Pass through categorical programs to California schools primarily flow through the California Department of Education. The State of California receives the grant award and then apportions the funds to school districts. The school districts then submit financial reports to the State of California. Examples of pass through grants include the Every Student Succeeds Act (ESSA), Carl Perkins Act, and Workforce Investment Act.

GASB 33 addresses specific revenue recognition policies that are to be used in accounting for categorical funds. Applying the appropriate policy is an extremely important part of the year-end closing process. An LEA should review each project separately and determine the proper entries to close the year. To account for categorical programs properly, an LEA must first determine if the categorical program is a grant or an entitlement.

Grant or Entitlement

Grant (Unearned Revenue) - A grant is a contribution of funds to an LEA to be used for a specific purpose, activity or facility. In general, expenditure is the prime factor for determining grant eligibility, and revenue is recognized when the expenditure is made. **Grants are considered earned when the expenditure is recorded (expended).**

- Recorded as revenue when cash is received.

- At the end of the year, if revenue received exceeds donor-authorized expenditures, the difference is recorded as unearned revenue. Unearned revenue is revenue that has been received but not yet earned (expended). The total expenditures used in this calculation may not exceed the grant award.

- If donor-authorized expenditures exceed the total revenues received, the difference is recorded as accounts receivable. A program cannot have accounts receivable and unearned revenue at the same time.

- Unused grant award (carryover) is the difference between the total grant award and the total donor authorized expenditures for the year. Any unused grant that exceeds the unearned revenue or accounts receivable is not recorded in the books, but is added to the amount of the award for the subsequent year to determine the total grant available. The unused grant award should not be recorded as an accounts receivable because it has not been earned.

- Examples of grants are: Every Student Succeeds Act programs and Carl Perkins programs

Grant or Entitlement (Continued)

Entitlement (Fund Balance) - An entitlement is a payment based on an allocation formula. Like grants, entitlements are restricted. **Entitlements are considered earned when the entitlement is awarded.**

- The entitlement is recorded as revenue when it is received.

- The amount of any entitlement, which has not been received by June 30, yet is expected to be received by September 30, should be accrued.

- At the end of the year, any entitlement funds that have not been expended are recorded as restricted ending balances. This is done because restrictions remain on the use of the revenue from the entitlement; therefore the fund balance for this entitlement must be separated from the fund balance available for general use.

- Examples of entitlements are: Medi-Cal and National School Lunch Program.

The CDE SACS Query website provides a lot of useful information on categorical programs. It is located at http://www2.cde.ca.gov/sacsquery/querybyresource.asp.

The following pages illustrate the accounting transactions necessary to close categorical programs for the fiscal year.

Contributions from the Unrestricted General Fund

The revenue for some programs, such as Special Education, is often insufficient to cover all of the costs incurred by the district. In these cases, the district must do a contribution from the Unrestricted General Fund as shown below. This information is also entered on the CAT Form.

Example:

The school district needs to transfer $50,000 into Special Education to cover costs that are not supported by the revenue in that resource. The entry would be as follows:

Account	Fund	Resource	Object	Debit	Credit
Unrestricted Revenue	0100	0000	8980	$50,000	
Special Education	0100	6500	8980		$50,000

Federal Transferability

Federal transferability of funds is governed by Title V in Every Student Succeeds Act Section 5102. A local educational agency may transfer up to 100 percent of Title II, Part A and Title IV, Part A program funds to other allowable programs.

Allowable Title Programs:

- Title I, Part A;
- Title I, Part C;
- Title I, Part D;
- Title II, Part A;
- Title III English Learner;
- Title III Immigrant;
- Title IV, Part A;
- Title V, Part B, Subpart 1;
- Title V, Part B, Subpart 2;

Regardless of transfers, the LEA will continue to be responsible for meeting Title II, Part A and Title IV, Part A legal requirements, which are required as a condition of accepting the funds. In addition, funds transferred to other allowable programs are subject to the legal requirements for those programs.

Example:

The district received a $20,000 grant for Title II, Part A. The district wishes to transfer 50% ($10,000) to Title I, Part A. The entry would be as follows:

Account	Fund	Resource	Object	Debit	Credit
Title II, Part A	0100	4035	8990	$10,000	
Title I, Part A	0100	3010	8990		$10,000

The expenditures would then be accounted for within Title I, Part A.

Consolidated Federal Administration

School districts have the option to consolidate ESEA funds for the administration of one or more programs under ESEA, as authorized in Section 8203 of the ESEA. Programs that may be included in the consolidation of administrative funds are:

- o Title I, Part A (Basic)
- o Title I, Part C (Migrant Education)
- o Title I, Part D (Delinquent)
- o Title II, Part A (Supporting Effective Instruction)
- o Title III (Immigrant Students)
- o Title III (English Learner Students)
- o Title IV, Part B (21st Century Community Learning Centers)
- o Title IV, Part A (Student Support and Academic Enrichment)

Consolidation of funds provides flexibility in charging administrative costs and results in simplified accounting and personnel activity timekeeping. Districts will take the following steps:

- Decide how much to consolidate. For most programs, there is not a specified maximum, but the district must ensure that the amount of administration plus indirect costs do not exceed 15% of the grant amount. An LEA may use no more than two percent for direct administrative costs for the Title III, English Learner Students grant.

- Charge administrative costs to Resource 3155 (ESSA: Consolidated Administration Funds) throughout the year, with Function 2100 (Supervision of Instruction) or Function 2150 (Instructional Administration of Special Projects).

Example:

Account	Fund	Resource	Function	Object	Debit	Credit
ESSA Consolidated Admin	0100	3155	2100	1300	$900	
ESSA Consolidated Admin	0100	3155	2100	3401	$250	
ESSA Consolidated Admin	0100	3155	2100	4300	$130	
ESSA Consolidated Admin	0100	3155	2100	9110		$1,280

Consolidated Federal Administration (Continued)

- At the end of the year, the undistributed costs in Resource 3155 are distributed to the participating programs using Object 5710 (Transfers of Direct Costs). The district has discretion as to how much to transfer to each program, as long as the amount is within the maximum allowable administrative cost for that program. The total grant amount should not be exceeded after the distribution.

Example:

Account	Fund	Resource	Function	Object	Debit	Credit
Title I, Part A	0100	3010	2100	5710	$800	
Title II, Part A	0100	4035	2100	5710	$300	
Title III	0100	4203	2100	5710	$180	
ESSA Consolidated Admin	0100	3155	2100	5710		$1,280

- **Federal Timekeeping Requirements:** Consolidated administration is considered one cost objective for purposes of federal timekeeping requirements. Therefore, LEAs are not required to maintain personnel activity reports to document the time spent for administrative activities performed exclusively for these programs. Semi-annual certification must still be completed. Refer to Procedure 905, Documenting Salaries and Wages, in CSAM for more information.

For more information on consolidated federal administration, see CSAM Procedure 780.

Completing the CAT Form

Districts use the CAT Form in the SACS Software to calculate unearned revenue, accounts receivable, accounts payable and/or ending fund balance for each categorical program. There are six separate worksheets in the CAT Form based on the source of funds and the applicable accounting treatment:

- Unearned Revenue- Federal (see sample)
- Unearned Revenue- State (see sample)
- Unearned Revenue- Local
- Restricted Ending Balance- Federal
- Restricted Ending Balance- State (see sample)
- Restricted Ending Balance- Local

Instructions for completing the CAT Form are included in the manual downloaded with the SACS software.

To complete the CAT Form, districts fill in the requested information for the award, revenue received, and expenditures. At the bottom of the CAT Form, the district calculates the deferred revenue, accounts receivable, accounts payable, and/or restricted ending balance. Once the CAT Form has been completed, the applicable entries can be made as shown in the following examples. Note that flexible categorical programs do not need to be shown on the CAT Form because they are unrestricted funds.

Example 1: Unearned Revenue. Please note that unearned revenue programs should not have both unearned revenue and accounts receivable.

Account	Fund	Resource	Object	Debit	Credit
ESSA Title I, Part A	0100	3010	8290	$10,000	
ESSA Title I, Part A	0100	3010	9650		$10,000

Example 2: Accounts Receivable

Account	Fund	Resource	Object	Debit	Credit
Lottery Instruct. Materials	0100	6300	920X	$5,000	
Lottery Instruct. Materials	0100	6300	8560		$5,000

Example 3: Accounts Payable

Account	Fund	Resource	Object	Debit	Credit
Special Ed Mental Health	0100	6512	8590	$3,000	
Special Ed Mental Health	0100	6512	951X		$3,000

Example 4: Unused Grant Award

The Unused Grant Award calculation on the CAT Form for unearned revenue programs is the difference between the available award and the total expenditures.

In some cases, this amount is the same as the unearned revenue. In other cases, the unused grant award exceeds the unearned revenue. In these cases, no accounting entry is done for the difference between the unearned revenue and the unused grant award because the funds have not been earned. Instead, this amount will be budgeted as revenue in the subsequent year.

In other cases, there is a receivable, but the district did not spend the total available award. In these cases, the unused grant award will be an amount in excess of the receivable. This unused award cannot be claimed as a receivable because it has not been earned.

Entries in the Subsequent Year

In the subsequent year, accounting transactions must be done to reverse or clear the closing entries.

Unearned Revenue

Step 1: Clear Unearned Revenue. The unearned revenue set up at closing will become a beginning balance in the subsequent year. It is necessary to reverse the unearned revenue so that it will be recognized as current-year revenue.

Account	Fund	Resource	Object	Debit	Credit
ESSA Title I, Part A	0100	3010	9650	$10,000	
ESSA Title I, Part A	0100	3010	8290		$10,000

Step 2: Budget Unearned Revenue and an Equal Amount of Expenditures. The unearned revenue must be budgeted so it can be recognized as current-year revenue. In addition, expenditures of an equal amount must be budgeted because an ending balance is not permitted for unearned revenue programs.

Accounts Receivable

Step 1: Revenue Posted to Suspense by Financial Accounting
Financial Accounting posts $7,500 in prior-year Lottery revenue in Suspense. However, the receivable was only $5,000.

Account	Fund	Resource	Object	Debit	Credit
Suspense	0100	9999	9110	$7,500	
Suspense	0100	9999	8999		$7,500

Step 2: Clear Suspense
Because the amount deposited into suspense exceeds the receivable, the amount of the receivable is cleared against Object 9202 and the remainder is recognized as current-year revenue.

Account	Fund	Resource	Object	Debit	Credit
Suspense	0100	9999	8999	$7,500	
Lottery Instruct. Materials	0100	6300	920X		$5,000
Lottery Instruct. Materials	0100	6300	8560		$2,500

Step 3: Clear Accounts Receivable

Once 9201 equals 9202 for a resource, the receivable can be cleared as shown below.

Account	Fund	Resource	Object	Debit	Credit
Lottery Instruct. Materials	0100	6300	920X	$5,000	
Lottery Instruct. Materials	0100	6300	920X		$5,000

Accounts Payable

The California Department of Education bills the district for grant funding that will not be used.

Step 1: Pay Invoice

Account	Fund	Resource	Object	Debit	Credit
Special Ed Mental Health	0100	6512	951X	$3,000	
Special Ed Mental Health	0100	6512	9110		$3,000

Step 2: Clear Payable

Once 9510 equals 9511 for a resource, the payable can be cleared as shown below.

Account	Fund	Resource	Object	Debit	Credit
Special Ed Mental Health	0100	6512	951X	$3,000	
Special Ed Mental Health	0100	6512	951X		$3,000

Restricted Ending Balance

The restricted ending balance will become the beginning balance in the subsequent year. Because this revenue has already been recognized at closing, it should not be budgeted in the following year. However, the district can budget additional expenditures to utilize the carryover.

Unused Grant Award

The unused grant award from the previous year that could not be accounted for in the closing entries should be budgeted in the subsequent year on both the revenue and expenditure side of the budget.

Interest Earned on Federal Funds

School districts and charter schools are required to calculate and remit the interest earned on federal programs on at least a quarterly basis. The interest should be calculated based on the cash balances of federal program advances, therefore, the cash balances of federal reimbursement programs and school food service funds should not be included in the calculation. In addition, if any interest was earned on non-CDE administered programs, the amount of interest should be calculated separately and remitted to the Federal Treasury via the appropriate state or federal agency.

Districts may retain up to $100 in interest earned per year for administrative expense across all federal funds. A district cannot reduce or offset federal interest earned during times when the district does not have federal revenue and is using other revenue sources to temporarily cover federal program expenditures. Please note that SELPAs will not be remitting interest to the California Department of Education (CDE) on behalf of school districts for IDEA funds.

How to Calculate Interest:

The CDE indicates that districts should calculate federal interest based on the daily cash balance. Districts should calculate the interest for all federal resources together to minimize the amount of interest due. To explain, when a resource has a negative balance and it is kept separate then the interest earned is calculated to be zero. In contrast, when a resource with a negative balance is combined with a resource which has a positive balance, then the combined balance is lower. This will cause the interest earned to be lower when calculated on the combined balance.

Links & Tools:

https://www.cde.ca.gov/fg/ac/co/intfedfunds.asp

http://www.sdcoe.net/business-services/financial-services/financial-reporting/Pages/Forms-and-Documents.aspx

https://www.sdcoe.net/business-services/financial-services/financial-reporting/Documents/Financial%20Reporting/Interest%20Calculation%20Instructions%20PS.pdf

Example

On a quarterly basis, the interest from the county treasurer is posted to the unrestricted general fund. For child development and other funds, the interest is posted in each of the funds. In this example a total of $1,000 was earned: $700 for non-federal revenues and $300 for federal revenues.

Fund	Resource	Object	Debit	Credit
0100	0000	9110	$1,000	
0100	0000	8660		$1,000

Of the $300 earned on federal revenues, the district will keep $100 and return $200. This entry will move the $200 into Object 9590: Due to Grantor Governments in the unrestricted general fund

Fund	Resource	Object	Debit	Credit
0100	0000	8660	$200	
0100	0000	9590		$200

When issuing the warrant, no expense will be recorded.

Fund	Resource	Object	Debit	Credit
0100	0000	9590	$200	
0100	0000	9110		$200

Districts will need to maintain supporting documentation of the interest calculations and the amounts remitted to provide to the district's auditors at the close of each fiscal year.

How to Remit Interest

Each district is responsible for remitting interest to CDE on a quarterly basis. CDE has not developed a specific form for remitting interest on federal funds. Once you have calculated your quarterly interest, mail a check with a cover letter that specifies the time period of the interest earned and itemizes the amounts for each federal program by resource to the following address:

California Department of Education

PO Box 515006

Sacramento, CA 95851

Attn.: Cashier's Office

DEFERRED MAINTENANCE AND THE
ROUTINE RESTRICTED MAINTENANCE ACCOUNT

Beginning with fiscal year 2013/14, the Deferred Maintenance program was incorporated in to the Local Control Funding Formula (LCFF) base funding. At this time, Education Code (EC) 17584, relating to the required district matching contribution, was repealed. The California Department of Education (CDE) has kept the Deferred Maintenance Fund open for districts that choose to continue operating the fund. The Deferred Maintenance Fund, Fund 14 for Standardized Account Code Structure (SACS) purposes, is classified as a special revenue fund, and requires an ongoing source of restricted or committed revenues. If the district chooses to continue using the Deferred Maintenance Fund, the governing board must commit LCFF revenue to Fund 14, and the revenue must be coded in object 8091 from the General Fund to the Deferred Maintenance Fund.

Fund 14, Deferred Maintenance Fund
- A school district using Fund 14 must account for it pursuant to GAAP for special revenue funds, as previously discussed.
- If Fund 14 combined with the general fund for presentation in the audited financial statements, this is an indication that the fund does not meet GAAP.
  - Start using in accordance with GAAP, i.e., account for inflow correctly, or ensure ongoing inflows.
  - Close out fund; may expend remaining balance in Fund 14, but ideally should be done by the subsequent year.

E.C. 17070.75 requires school districts that receive state bond funds to establish and maintain an account for the ongoing and major maintenance of their facilities and to deposit at least 3% of their General Fund expenditures including other financing uses into a Routine Restricted Maintenance Account (RRMA) for this purpose. In fiscal year 2015/16, flexibility was provided to school districts that participated in the school facilities program. Proposition 51 holds school districts that receive Proposition 51 funding to provisions of the School Facility Program as it is read January 1, 2015.   Therefore, school districts receiving Proposition 51 funding are subject to the 3% RRMA requirement and no longer are eligible

to invoke the flexibility provided in the Budget Act of 2015. For a number of years, LEAs have enjoyed financial flexibility in determining how much must be contributed for routine restricted maintenance (Resource 8150). Through the first five years of LCFF implementation, the expectation was that the required 3% contribution would take effect in 2020-21 per Education Code (E.C.) Sections 17070.75(b)(2)(B-C). Interpretations of E.C. 17070.75(b)(2)(F) moved the effective date forward one year so that applicable LEAs must now comply with the 3% contribution beginning in 2019-20.

Things to consider:

i.   Verify expenditures in resource 8150 to meet requirements.
     For 2017-18 and 2018-19 if Proposition 51 funding is received:
     • 3% of total GFE

     For 2017-18 through 2018-19, greater of:
     • Lesser of 14/15 amount or 3% of total GFE
     • 2% of total GFE
     For 2019-20:
     • 3% of total GFE

ii. 3% contribution is calculated on total General Fund expenditures, including other financing uses and inclusive of RRMA expenditures and CalSTRS on-behalf.

iii. 3% contribution is developed based on budget, but must be trued up using actual expenditures.
     • Budget is monitored through the Criteria and Standards report.
     • Actual contribution will be audited as part of the School Facility Program Bond Audit.

iv. If the district chooses to continue the use of Fund 14, the governing board must commit a portion of LCFF revenues.

v.   The reserve for economic uncertainties will increase if the expenditures typically incurred in Fund 14 are moved to the General Fund.

For further information, contact Roxanna Travers at roxanna.travers@sdcoe.net or your district's Business Advisor.

RESERVES

Reserves are accounts earmarked for a portion of a fund balance to indicate that it is not available for expenditure. Examples of these are reserves for revolving cash, stores, and prepaid expense.

Reserves are also established to designate a portion of the fund equity for a specific future use. Examples of these are restricted program balances and economic uncertainty. Reserves can also be designations by the board.

RESERVE SAMPLES

Account	Title	Normal Balance
9711	Reserve for Revolving Cash	Credit
9712	Reserve for Stores	Credit
9713	Reserve for Prepaid Expense	Credit
9719	All Other Nonspendable Assets	Credit
9740	Restricted Balance	Credit
9750	Stabilization Arrangements	Credit
9760	Other Commitments	Credit
9780	Other Assignments	Credit
9789	Reserve for Economic Uncertainties	Credit

Example - XYZ School District's general ledger has the following balance:

Fund (01-00)	9320	Stores	5,000

When the stores physical inventory was taken, the actual stock was valued at $5,500.

The following adjustments are needed to the general ledger accounts:

Account	Fund	Resource	Goal	Function	Object	Debit	Credit
Stores	01-00	XXXX			9320	$500	
Supplies	01-00	XXXX	XXXX	XXXX	4000		$500
Reserve for Stores (SACS)	01-00	XXXX			9712		$5,500

GASB 54 – Fund Balance Reporting

In February 2009, the Governmental Accounting Standards Board issued Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement significantly changed the categories and terminology used to describe the components of the ending fund balance. These changes are intended to enhance how fund balance information is reported by establishing new classifications that are easier to understand. GASB 54 also clarifies the definition of some governmental funds.

GASB 54 eliminates the reserved/unreserved component of fund balance in favor of a hierarchy of restricted/unrestricted classifications which are based upon the level of spending constraints placed upon the funds. The five classifications are:

Restricted Funds	**Unrestricted Funds**
1. Nonspendable	3. Committed
2. Restricted	4. Assigned
	5. Unassigned

GASB 54 affects only the Governmental Funds of the school district (SACS Funds 01-60), and is effective the close of fiscal year 2010-11 for audited financial statements as of June 30, 2011.

The CDE letter and related attachments dated January 7, 2011, *New Requirements for Reporting Fund Balance in Governmental Funds*, can be found on their website at: http://www.cde.ca.gov/fg/ac/co/.

Fund Balance Classifications

Nonspendable
- Amounts are not in spendable form (i.e. inventory, prepaids, long-term portion of loans receivable).
- Legally or contractually required to be maintained intact (i.e. the principal amount of a permanent fund.)

Restricted
- Amounts are subject to *externally* imposed and legally enforceable constraints.
- Constraints may be imposed by grantors, creditors, contributors, laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- Restricted General Fund (Object 9740)

Committed
- Amounts are subject to *internal* constraints self-imposed by *formal action* of the government's highest level of decision-making authority.
- "Formal action" varies by governments. For school districts, governing board actions taken at a public meeting can vary from a vote, a resolution, or the adoption of a budget.
- The amounts cannot be used for any other purpose unless the same type of action is taken to remove or change the constraint.
- The constraint for committed fund balances must be imposed no later than June 30th. (The actual amounts can be determined subsequent to that date at year-end closing.)

Assigned
- Amounts that the government *intends* to be used for specific purposes.
- Assigned amounts can be established by a) the governing board; or b) a *body* (budget committee, finance committee, site council, etc.), or *official(s)* that has been designated by the governing board.
- The constraints that are imposed are more easily removed or modified than those classified as committed.
- The assignment does not need to be made before the end of the reporting period (June 30th), but rather can be made any time prior to the issuance of the financial statements (at year-end closing).

Fund Balance Classifications (Continued)

Unassigned
- General Fund only, it is the residual balance that is not restricted, committed or assigned.
- All Other Funds, a positive unassigned fund balance is never reported. (Fund 17 exception; discussion to follow)
- Deficits in another classification that cannot be eliminated are reported as a negative unassigned fund balance. (Object 9790)

Stabilization Arrangements
- Classified as a *committed* fund balance under Object Code **9750**.
- Level of constraint must meet the criteria to be reported as committed.
- Circumstances for spending must be both *specific* and *non-routine* in nature; and identified in the formal action that imposes the parameters for spending.

Reserve for Economic Uncertainties
- Does not meet the criteria for being classified as a *committed* fund balance.
- Classified as *unassigned* using Object Code **9789**.
- Available in the General Fund and in Fund 17, Special Reserve for Other Than Capital Outlay.

GASB - Section 12

- STRS On-Behalf
- GASB 34
- GASB 54
- GASB 75
- GASB 84

STRS On-Behalf

Since its implementation, GASB Statement 24 has required that school districts recognize the contributions made by the State of California to CalSTRS on behalf of school districts for their employees. This funding situation was brought to the forefront with the implementation of GASB Statements 68 and 71 in the 2014-15 fiscal year. The contributions made by the state are based on rates defined in Education Code Sections 22955.1 and 22954 and vary from year to year.

See Mock Calculation on CalSTRS Frequently Asked Questions under:

How do I calculate my proportionate share of the State's on-behalf contributions under GASB 85?

FAQ: https://www.calstrs.com/general-information/gasb-67-68-frequently-asked-questions

This is <u>one method</u> for determining an employer's share of State on-behalf contributions; different calculation methods may yield different results. It is recommended that each district review their accounting policies and follow external auditor recommendations. Please evaluate and apply a consistent methodology to comply with these pronouncements.

On you have the calculated STRS on-behalf contribution amount, input the amount, along with your .dat file, into the STRS on-behalf calculator using the instructions included in the file. This will create a journal entry file for data entry or upload. When preparing your unaudited actuals, refresh your data with the most current .dat file and generate a new SACS import file.

This should be done as one of the last steps prior to closing. STRS On-Behalf entries should be booked to Resource 7960, with credits to object 8590 and debits to expenditure objects 3101/3102.

Below is the link to CDE's website where the template can be downloaded.

Http://www.cde.ca.gov/fg/ac/co/

Correspondence

Advisories, bulletins, and letters related primarily to local educational agency accounting and reporting issues.

2019–20 Approved Indirect Cost Rates Letter (Dated 02-Apr-2019)
The California Department of Education (CDE) has reviewed the 2017–18 standardized account code structure (SACS) expenditure data and has finalized the approved indirect cost rates. The rates are for use, as allowable, with 2019–20 federal and state programs.

2019 Edition of the California School Accounting Manual (CSAM) (Dated 22-Jan-2019)
Letter to county and district chief business officials and charter school administrators.

    Attachment - Summary of Changes to CSAM 2019 (Dated 22-Jan-2019)

Bid Threshold Adjustment Letter (Dated 01-Dec-2018)
Annual Adjustment to Bid Threshold for Contracts Awarded by School Districts.

Willful Pupil Misconduct Letter (Dated 01-Dec-2018)
Annual Adjustment to Liability Limit of Parent or Guardian for Willful Pupil Misconduct.

The Every Student Succeeds Act Per-Pupil Expenditure Reporting Requirement (Dated 01-Aug-2018)
Letter providing information and guidance to LEAs regarding the Every Student Succeeds Act (ESSA) per-pupil expenditure reporting requirement.

New Financial Reporting Requirements for Pensions (Dated 02-Jul-2015)
Letter to county and district chief business officials and charter school administrators regarding Governmental Accounting Standards Board (GASB) Statement 68. The guidance in this letter supersedes the guidance in Management Advisory 96-03 from 1996 relating to accounting for on-behalf pension payments made by the state.

Attachment 02-Jul-2015: STRS On-Behalf Analysis Spreadsheet Application (EXE; 124MB; Revised 09-Feb-2017) Spreadsheet application to calculate and create the journal entry necessary for local educational agencies to recognize the state's on-behalf contribution to CalSTRS in their funds. Use of this application is optional. Download Instructions: Using the preceding link, a self-extracting zipped file named "strsonbehalf.exe" must be downloaded and saved to your "C:" drive. Once done, using your Windows Explorer, double click on the "strsonbehalf.exe" file on your "C:" drive. The file will unzip and put the state teacher retirement system (STRS) on-behalf analysis spreadsheet application in excel format (XLSM), into a default folder named C:\GASB68STRSOnBehalf.

STRS On-Behalf Analysis Spreadsheet Application

File Path:		Select and Load File

Select a Dataset:

Fiscal Year	CDS Code	Reporting Period	Column Code

STRS On-Behalf:

Reset Worksheet		Run Extraction and Analysis

Section 12

GASB 34

GASB 34
Basic Financial Statements – M D & A

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 (GASB 34) which fundamentally changed the financial reporting model for state and local governments, including school districts. Under GASB 34, the financial statements must include:

- Management Discussion and Analysis (MD&A)
- Government-wide Statements
    - > Statement of Activities
    - > Statement of Net Assets
    - > Full accrual including depreciation
- Fund Statements
- Notes to the Financial Statements
- Required Supplementary Information (RSI)
    - > Budgetary Comparison

The requirements of GASB 34 became effective in three phases based on 1998-99 total revenues reported. The implementation dates were as follows:

- Phase 1   District Revenue   >$100 million
             FY 2001-02
- Phase 2   District Revenue   >$10   million
             FY 2002-03
- Phase 3   District Revenue   <$10   million
             FY 2003-04

Fixed Assets Year End Process

1. Update timeline for year-end processes for ordering and receiving items.

2. Notify sites or departments about the cutoff date in ordering items.

3. Make sure that all items received were properly tagged, recorded in the system and sent to their permanent location.

4. Prepare physical count worksheet to be used by the person/s responsible for doing inventory count.

5. Distribute worksheet to sites/departments along with inventory procedures.

6. Take the physical inventory.

7. Reconcile inventory from the actual count against your system and update as necessary. Identify items that were acquired but not recorded; transferred from one location to another; disposed due to being retired, missing or donated; need to be removed from inventory listing due to low value.

8. Prepare a list of items being disposed and items acquired via donation and send it to the board for approval.

9. Identify items that are inventoried but do not need to be capitalized.

10. Identify items that need to be depreciated. Tag as depreciable in your system.

11. Run processes to depreciate your assets.

12. Verify that assets were depreciated properly. Compare with prior year records.

GASB 34

Step 1: Review Coding Before You Close

- In the SACS software, go to Reports < Government-wide Reporting < ENTRY.

- Open and print the tabs called:
  - CE001 Data by Function; and
  - CE001 Data by Object.

- Both documents show the same information, just organized differently.

- The expenditures shown on these documents represent what will be capitalized: everything in Function 8500 and everything in Objects 6000-6999.

- Cross-reference these expenditures with the software or spreadsheet the district is using to keep track of capitalized assets. These two records should be exactly the same for the fiscal year.

- If something should not be capitalized, change the coding before you close.

- When should something be capitalized?
  - Above the capitalization threshold- usually $5,000; AND
  - Adds value to the improvement and extends the useful life.
  - Everything associated with a capital project should be capitalized, including project manager salary, architect fees, inspection fees, etc.

- Do not capitalize
  - A $25,000 painting project, even though it exceeds the capitalization threshold
  - This does not add value to the improvement. It is maintenance and should be coded to Function 8100.

Unaudited Actuals
2016-17 Unaudited Actuals
San Diego County   Conversion from Governmental Funds to Governmental Activities
Conversion Entry - CE001 Data by Function

37 00000 0000000
Report ENTRY

By Function

Fund	Resource	Project Year	Goal	Function	Object	Value
01	6500	0	5750	1190	6500	33,876.20
Total, Instruction (Functions 1000-1999)						33,876.20
01	9010	0	8600	2100	6400	5,910.10
Total, Instructional Supervision and Administration (Functions 2000-2999 except 2420 and 2700)						5,910.10
01	9010	0	0000	2420	6400	101,292.63
Total, Instructional Library, Media, and Technology (Function 2420)						101,292.63
Total, School Site Administration (Function 2700)						0.00
Total, All Other Pupil Services (Functions 3000-3999 except 3600 and 3700)						0.00
Total, Home-to-School Transportation (Function 3600)						0.00
Total, Food Services (Function 3700)						0.00
Total, Ancillary Services (Functions 4000-4999)						0.00
Total, Community Services (Functions 5000-5999)						0.00
Total, Enterprise Activities (Functions 6000-6999)						0.00
01	0000	0	0000	7200	6400	11,418.50
01	0000	0	0000	7200	6500	8,750.39
01	0000	0	0000	7550	6400	7,321.62
Total, All Other General Administration (Functions 7000-7999 except 7700)						27,490.51
01	0000	0	0000	7700	6400	104,218.85
01	0000	0	0000	7700	6500	52,987.01
01	0000	0	8600	7700	6400	3,261,394.89
Total, Centralized Data Processing (Function 7700)						3,418,600.75
01	0000	0	0000	8100	6500	6,643.72
01	0000	0	8600	8100	6400	14,654.00
01	0000	0	8600	8100	6500	5,624.99
14	0000	0	0000	8100	6500	17,525.00
Total, Plant Services (Functions 8000-8999 except 8500)						44,447.71
01	0000	0	3500	8500	4300	32,457.00

Unaudited Actuals
2016-17 Unaudited Actuals
San Diego County   Conversion from Governmental Funds to Governmental Activities
Conversion Entry - CE001 Data by Function

37 00000 0000000
Report ENTRY

By Function

Fund	Resource	Project Year	Goal	Function	Object	Value
01	0000	0	3500	8500	4400	68,901.81
01	0000	0	8600	8500	6200	6,710.00
01	8150	0	0000	8500	6200	1,280,000.00
14	0000	0	0000	8500	6200	1,308,000.00
40	0000	0	0000	8500	4300	57,943.46
40	0000	0	0000	8500	4400	446,789.24
40	0000	0	0000	8500	5600	107,758.95
40	0000	0	0000	8500	6400	458,716.59
Total, Facilities Acquisition and Construction (Function 8500)						3,767,277.05
						7,398,894.95

By Object

Fund	Resource	Project Year	Goal	Function	Object	Value
Total, Certificated Personnel Salaries (Objects 1000-1999)						0.00
Total, Classified Personnel Salaries (Objects 2000-2999)						0.00
Total, Employee Benefits (Objects 3000-3999)						0.00
01	0000	0	3500	8500	4300	32,457.00
40	0000	0	0000	8500	4300	57,943.46
Total, Books and Supplies (Objects 4000-4999 except 4400)						90,400.46
01	0000	0	3500	8500	4400	68,901.81
40	0000	0	0000	8500	4400	446,789.24
Total, Noncapitalized Equipment (Object 4400)						515,691.05
40	0000	0	0000	8500	5600	107,758.95
Total, Services and Other Operating Expenditures (Objects 5000-5999)						107,758.95
Total, Land (Object 6100)						0.00
Total, Land Improvements (Object 6170)						0.00
01	0000	0	8600	8500	6200	6,710.00
01	8150	0	0000	8500	6200	1,280,000.00
14	0000	0	0000	8500	6200	1,308,000.00
Total, Buildings and Improvement of Buildings (Object 6200)						2,594,710.00
Total, Books and Media for New School Libraries (Object 6300)						0.00
01	0000	0	0000	7200	6400	11,418.50
01	0000	0	0000	7550	6400	7,321.62
01	0000	0	0000	7700	6400	104,218.85
01	0000	0	8600	7700	6400	3,261,394.89
01	0000	0	8600	8100	6400	14,654.00
01	9010	0	0000	2420	6400	101,292.63
01	9010	0	8600	2100	6400	5,910.10
40	0000	0	0000	8500	6400	458,716.59
Total, Equipment (Object 6400)						3,964,927.18
01	0000	0	0000	7200	6500	8,750.39
01	0000	0	0000	7700	6500	52,987.01
01	0000	0	0000	8100	6500	6,643.72
01	0000	0	8600	8100	6500	5,624.99
01	6500	0	5750	1190	6500	33,876.20

By Object

Fund	Resource	Project Year	Goal	Function	Object	Value
14	0000	0	0000	8100	6500	17,525.00
Total, Equipment Replacement (Object 6500)						125,407.31
						7,398,894.95

Step 2: Beginning Balances

- Obtain a copy of the district audit for the prior fiscal year.

- Review the schedules in the audit showing the ending fund balances for Capital Assets and Long-Term Obligations. These schedules should be in the section called Notes to the Financial Statements.

- In the SACS software, go to Reports < Government-wide Reporting < ENTRY < Begin Balance.

- Use the ending fund balances from the prior-year audit to fill in the beginning fund balances in the SACS software.

- Assets are always debits, depreciation is a credit.

- Deferred Outflows of Resources are a debit balance.

- Liabilities are always credits.

- Deferred Inflows of Resources are credit balances.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

Example of schedule of Capital Assets from prior year's audit report

E.   Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,877,796	$ -	$ -	$ 1,877,796
Work in progress	-	1,000,000	-	1,000,000
Total capital assets not being depreciated	1,877,796	1,000,000	-	2,877,796
Capital assets being depreciated:				
Buildings	34,736,773	324,425	31,055	35,030,143
Improvements	2,119,249	-	-	2,119,249
Equipment	40,487,270	7,088,404	194,513	47,381,161
Total capital assets being depreciated	77,343,292	7,412,829	225,568	84,530,553
Less accumulated depreciation for:				
Buildings	(12,909,596)	(990,038)	(23,875)	(13,875,759)
Improvements	(666,946)	(104,219)	-	(771,165)
Equipment	(9,331,130)	(3,215,407)	(129,646)	(12,416,891)
Total accumulated depreciation	(22,907,672)	(4,309,664)	(153,521)	(27,063,815)
Total capital assets being depreciated, net	54,435,620	3,103,165	72,047	57,466,738
Governmental activities capital assets, net	$ 56,313,416	$ 4,103,165	$ 72,047	$ 60,344,534

Unaudited Actuals
2016-17 Unaudited Actuals
Conversion from Governmental Funds to Governmental Activities
Conversion Entry - Beginning Balances

San Diego County

37 00000 0000000
Report ENTRY

Beginning Balances

To record beginning balances of capital assets, long-term liabilities, deferred outflows of resources, and deferred inflows of resources relating to governmental activities, but not reported in governmental funds.

Object	Debit	Credit	Account Description
9330			Prepaid Expense
9410	1,877,796		Land
9420	2,119,249		Land Improvements
9425		771,165	Accumulated Depreciation - Land Improvements
9430	35,030,143		Buildings
9435		13,875,759	Accumulated Depreciation - Buildings
9440	47,381,161		Equipment
9445		12,416,891	Accumulated Depreciation - Equipment
9450	1,000,000		Work In Progress
9490	20,214,705		Deferred Outflows of Resources - pensions only
9490			Deferred Outflows of Resources - other
9661	-		General Obligation Bonds Payable
9662	-		State School Building Loan Payable
9663		105,585,211	Net Pension Liability (Asset)
9664			Net OPEB Obligation
9665		2,627,838	Compensated Absences Payable
9666		-	COPs Payable
9667		357,483	Capital Leases Payable
9668		-	Lease Revenue Bonds Payable
9669			Other General Long-Term Debt
9690		18,587,871	Deferred Inflows of Resources - pensions only
9690			Deferred Inflows of Resources - other
979Z	46,599,164	-	Fund Balance/Net Position
Total	154,222,218	154,222,218	

Step 3: Conversion Entries

- In the SACS software, go to Reports < Government-wide Reporting < ENTRY < Detail.

- SACS automatically extracts data for some of the conversion entries.

- SACS automatically performs a default conversion entry for some entries.

- Make changes in the User Adjustments section.

- See sample conversion entries on the next page.

- Instructions for the conversion entries are available in the manual that is downloaded as part of the SACS software.

- Key points
  - The default entry is not always right and must be changed if needed.
  - Your district will not use all of the entries.
  - Look at last year's conversion entries to get an idea of which ones apply to your district.

Unaudited Actuals
2016-17 Unaudited Actuals
Conversion from Governmental Funds to Governmental Activities
Conversion Entry - Detail

San Diego County

37 00000 0000000
Report ENTRY

Entry CE001   Capital Outlay Expenditures

To eliminate capital outlay expenditures made in governmental funds for acquisition or construction of capital assets, and instead report capital assets on the statement of net position.

Object	Function (Resource)	Extracted Data	Default Conversion of Extracted Data		User Adjustments		Conversion Entry		Account Description
			Debit	Credit	Debit	Credit	Debit	Credit	
[see extract]	1000	33,876	-	33,876			-	33,876	Instruction
[see extract]	2100	5,910	-	5,910			-	5,910	Instructional Supervision and Administration
[see extract]	2420	101,293	-	101,293			-	101,293	Instructional Library, Media and Technology
[see extract]	2700	0	-	-			-	-	School Site Administration
[see extract]	3600	0	-	-			-	-	Home-to-School Transportation
[see extract]	3700	0	-	-			-	-	Food Services
[see extract]	3900	0	-	-			-	-	All Other Pupil Services
[see extract]	4000	0	-	-			-	-	Ancillary Services
[see extract]	5000	0	-	-			-	-	Community Services
[see extract]	6000	0	-	-			-	-	Enterprise Activities
[see extract]	7200	27,491	-	27,491			-	27,491	All Other General Administration
[see extract]	7700	3,418,601	-	3,418,601			-	3,418,601	Centralized Data Processing
[see extract]	8100	44,448	-	44,448	713,852		669,404	-	Plant Services
[see extract]	8500	3,767,277	-	3,767,277			-	3,767,277	Facilities Acquisition and Construction
9410			-	-			-	-	Land
9420			-	-			-	-	Land Improvements
9430			3,308,560	-	286,150		3,594,710	-	Buildings
9440			4,090,334	-			4,090,334	-	Equipment
9450						1,000,000	-	1,000,000	Work In Progress
TOTALS			7,398,894	7,398,896	1,000,002	1,000,000	8,354,448	8,354,448	

Entry CE002   Debt Service Expenditures

To eliminate expenditures for debt service - principal, and instead reduce the related liabilities.

Object	Function (Resource)	Extracted Data	Default Conversion of Extracted Data		User Adjustments		Conversion Entry		Account Description
			Debit	Credit	Debit	Credit	Debit	Credit	
7432	9100	0	-	-			-	-	Debt Service, State School Building Repayment
7433	9100	0	-	-			-	-	Debt Service, Bond Redemptions
7435	9100	0	-	-			-	-	Debt Service, Repayment of State School Building Aid Funds - Proceeds From Bonds
7436	9100	0	-	-			-	-	Debt Service, Payments to Original District for Acquisition of Property
7439	9100	1,001,296	-	1,001,296			-	1,001,296	Debt Service, Other Debt Service - Principal
9661			-	-			-	-	General Obligation Bonds Payable
9662			-	-			-	-	State School Building Loan Payable
9666							-	-	COPS Payable
9667					501,296		501,296	-	Capital Leases Payable
9668							-	-	Lease Revenue Bonds Payable
9669			1,001,296	-		501,296	500,000	-	Other General Long-Term Debt
TOTALS			1,001,296	1,001,296	501,296	501,296	1,001,296	1,001,296	

Step 4: Conversion Worksheet

- In the SACS software, go to Reports < Government-wide Reporting < CNVRT < Conversion Worksheet.

- This worksheet shows how the conversion entries you have done will affect the beginning balances that were entered.

- Review this document to ensure that the end result shown in the Statement of Net Position column is the final result you are expecting.

- The worksheet shows which conversion entry numbers apply to each line.

- Enter any Other Worksheet Adjustments if necessary.

- If anything needs to be changed, go back to the ENTRY < Detail worksheet to make the change.

- Click on the Program Revenue-Detail tab. This worksheet distributes your revenue for each program by function. The SACS software uses expenditure data for the program to determine which functions to use.

- Sometimes you will see "Unbalanced" in red. In these cases, you need to fix rounding errors or choose a function for the revenue because the software was unable to do this automatically.

  o Entry rounding adjustments in rows titled "User Adjustment."

- REMEMBER TO OPEN AND SAVE the CNVRT worksheet before moving on. Failure to do so will result in inaccurate data in the final reports.

San Diego County

Unaudited Actuals
2016-17 Unaudited Actuals
Conversion from Governmental Funds to Governmental Activities
Conversion Worksheet

37 00000 0000000
Report CNVRT

	Resource	Function	Object	Governmental Funds, Capital Assets, Deferred Outflows of Resources, Long-Term Liabilities, and Deferred Inflows of Resources	Conversion Entries		Other Worksheet Adjustments *	Statement of Activities	Statement of Net Position
					Entry Amounts	Entry Numbers			
Assets		Funds 01-57, except where indicated							
Cash			9110-9140	180,312,633	138,271,575	CE014			318,584,208
Investments			9150	0	0	CE014	1,577,992		1,577,992
Receivables			9200-9290	46,542,543	3,186,193	CE014, CE018			49,728,736
Due from Other Funds			9310	7,225,715	(7,225,715)	CE014, CE018, CE020			0
Stores			9320	0	0	CE014			0
Prepaids			9330	2,211,615	530,084	CE003, CE013, CE014			2,741,699
Other Current Assets			9340	0	0	CE014			0
Land			9410	1,877,796	0	CE001, CE004, CE005, CE011, CE014			1,877,796
Land Improvements			9420	2,119,249	0	CE001, CE004, CE005, CE011, CE014			2,119,249
Accumulated Depreciation - Land Improvements			9425	(771,165)	(102,476)	CE005, CE012, CE014			(873,641)
Buildings			9430	35,030,143	4,594,710	CE001, CE004, CE005, CE011, CE014			39,624,853
Accumulated Depreciation - Buildings			9435	(13,875,759)	(1,001,079)	CE005, CE012, CE014			(14,876,838)
Equipment			9440	47,381,161	4,034,309	CE001, CE004, CE005, CE011, CE014			51,415,470
Accumulated Depreciation - Equipment			9445	(12,416,891)	(3,159,916)	CE005, CE012, CE014			(15,576,807)
Work in Progress			9450	1,000,000	(2,000,000)	CE001, CE004, CE005, CE011, CE014			(1,000,000)
Deferred Outflows of Resources - pensions only			9490	20,214,705	14,182,811	CE014, CE023, CE024			34,397,516
Deferred Outflows of Resources - other			9490	0	1,571,522	CE003, CE013, CE014			1,571,522

San Diego County

Unaudited Actuals
2016-17 Unaudited Actuals
Conversion from Governmental Funds to Governmental Activities
Identification of Program Revenues by Function
Detail

37 00000 0000000
Report CNVRT

Charges for Services: Governmental Activities

Extracted expenditures by function, default identification of program revenues by function, and user adjustments

Funds Resource	Program Revenues by Resource	Function:	1000	2100	2420	2700	3600	3700	3900	4000	5000	6000	7200	7700	8100	8500	9000	Total
01-57 6500 Special Education	9,318,972	Expenditures by function	17,037,970	10,794,499	-	-	-	105,110	2,217,838	-	-	-	1,624,126	-	670,131	-	141,927,845	174,377,519
		Percentage of total	9.77074%	6.19030%				0.06028%	1.27186%				0.93138%		0.38430%		81.39114%	100.00000%
		Default revenue by function	910,533	576,872	-	-	-	5,617	118,524	-	-	-	86,795	-	35,813	-	7,584,818	9,318,972
		User adjustments		2													(2)	-
		Adjusted revenue by function	910,533	576,874	-	-	-	5,617	118,524	-	-	-	86,795	-	35,813	-	7,584,816	9,318,972
01-57 6512 Special Ed: Mental Health Services	1,225,978	Expenditures by function	1,151,379	293,407	-	-	-	-	-	-	-	-	65,915	-	-	-	18,412,504	19,923,205
		Percentage of total	5.77909%	1.47269%									0.33085%				92.41738%	100.00001%
		Default revenue by function	70,850	18,055	-	-	-	-	-	-	-	-	4,056	-	-	-	1,133,017	1,225,978
		User adjustments																
		Adjusted revenue by function	70,850	18,055	-	-	-	-	-	-	-	-	4,056	-	-	-	1,133,017	1,225,978
01-57 9010 Other Restricted Local	16,332,470	Expenditures by function	709,432	15,474,912	342,264	-	-	84	129,902	51,873	443	18,743	1,065,927	-	199,357	-	123,873	18,116,810
		Percentage of total	3.91588%	85.41742%	1.88921%			0.00046%	0.71702%	0.28633%	0.00245%	0.10346%	5.88364%		1.10040%		0.68375%	100.00002%
		Default revenue by function	639,560	13,950,774	308,555	-	-	75	117,107	46,765	400	16,898	960,944	-	179,722	-	111,673	16,332,473
		User adjustments		(3)														(3)
		Adjusted revenue by function	639,560	13,950,771	308,555	-	-	75	117,107	46,765	400	16,898	960,944	-	179,722	-	111,673	16,332,470

Total Charges for Services (from fund consolidation worksheet)	26,877,420																	

	1000	2100	2420	2700	3600	3700	3900	4000	5000	6000	7200	7700	8100	8500	9000	Total
Subtotal of Charges for Services by function:	1,620,943	14,545,700	308,555			5,692	235,631	46,765	400	16,898	1,051,795		215,535		8,829,506	26,877,420
User identification of conversion entries, adjustments, and rounding differences, by function:																
Adjusted Charges for Services by function (agrees to conversion worksheet):	1,620,943	14,545,700	308,555	-	-	5,692	235,631	46,765	400	16,898	1,051,795	-	215,535		8,829,506	26,877,420

Step 5: Statement of Net Position and Statement of Activities

- In the SACS software, go to Reports < Government-wide Reporting < GSNP.

- Verify that the information on the Government-wide Statement of Net Position matches what is shown on the Conversion Worksheet.

- Distribute long-term liabilities due within one year and due in more than one year.

- Distribute Net Assets into the amount restricted for certain categories or unrestricted.

- Open the ASSET and DEBT forms available under Forms < Supplementals.

- Ensure that the information on the ASSET and DEBT forms match both the Beginning Balances and the final result shown in the GSNP.

- In the SACS software, go to Reports < Government-wide Reporting < GSA.

- This document is called Government-wide Statement of Activities. It summarizes program revenues by function.

- Information is obtained from the Program Revenue-Detail worksheet. No data entry is permitted.

San Diego County

Unaudited Actuals
2016-17 Unaudited Actuals
Government-wide Statement of Net Position

37 00000 0000000
Report GSNP

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	318,584,208	0	318,584,208
Investments	1,577,992	0	1,577,992
Receivables	49,728,736	0	49,728,736
Due from (to) other funds	0	0	0
Stores	0	0	0
Prepaid expenses	2,741,699	0	2,741,699
Other current assets	0	0	0
Capital assets:			
Land	1,877,796	0	1,877,796
Land Improvements	2,119,249	0	2,119,249
Buildings	39,624,853	0	39,624,853
Equipment	51,415,470	0	51,415,470
Work in progress	(1,000,000)	0	(1,000,000)
Less accumulated depreciation	(31,327,286)	0	(31,327,286)
Total assets	435,342,717	0	435,342,717
Deferred Outflows of Resources	35,969,038	0	35,969,038
Liabilities			
Accounts payable and other current liabilities	101,766,921	0	101,766,921
Current loans	0	0	0
Unearned revenue	6,957,878	0	6,957,878
Long-term liabilities:	151,332,190	0	151,332,190
Due within one year	*3,339,711*		*3,339,711*
Due in more than one year	*147,992,479*		*147,992,479*
Total liabilities	260,056,989	0	260,056,989
Deferred Inflows of Resources	14,414,063	0	14,414,063
Net Position			
Net investment in capital assets	62,421,867		62,421,867
Restricted for:			
Capital projects	11,778,542		11,778,542
Debt service			0
Educational programs	15,224,917		15,224,917
Other purposes (expendable)	687,593		687,593
Other purposes (nonexpendable)	2,239,015		2,239,015
Unrestricted	104,488,769		104,488,769
Total net position	196,840,703	0	196,840,703

NOTES:

Long-term liabilities should agree to Form DEBT

Net invested in capital assets = Net capital assets from Form ASSET less any debt associated to capital asset from Form DEBT

Back into *Unrestricted* amount

Unaudited Actuals

San Diego County
2016-17 Unaudited Actuals
37 00000 0000000

Schedule of Capital Assets
Form ASSET

	Unaudited Balance July 1	Audit Adjustments/ Restatements	Audited Balance July 1	Increases	Decreases	Ending Balance June 30
Governmental Activities:						
Capital assets not being depreciated:						
Land	1,877,795.50		1,877,795.50			1,877,795.50
Work in Progress	1,000,000.00		1,000,000.00		1,000,000.00	0.00
Total capital assets not being depreciated	2,877,795.50	0.00	2,877,795.50	0.00	1,000,000.00	1,877,795.50
Capital assets being depreciated:						
Land Improvements	2,119,248.68		2,119,248.68			2,119,248.68
Buildings	35,030,142.83		35,030,142.83	3,594,710.00		38,624,852.83
Equipment	47,381,161.49		47,381,161.49	4,090,334.49	56,025.44	51,415,470.54
Total capital assets being depreciated	84,530,553.00	0.00	84,530,553.00	7,685,044.49	56,025.44	92,159,572.05
Accumulated Depreciation for:						
Land Improvements	(771,165.39)		(771,165.39)	(102,475.63)		(873,641.02)
Buildings	(13,875,758.61)		(13,875,758.61)	(1,001,079.13)		(14,876,837.74)
Equipment	(12,416,891.07)		(12,416,891.07)	(3,206,948.31)	(47,031.53)	(15,576,807.85)
Total accumulated depreciation	(27,063,815.07)	0.00	(27,063,815.07)	(4,310,503.07)	(47,031.53)	(31,327,286.61)
Total capital assets being depreciated, net	57,466,737.93	0.00	57,466,737.93	3,374,541.42	8,993.91	60,832,285.44
Governmental activity capital assets, net	60,344,533.43	0.00	60,344,533.43	3,374,541.42	1,008,993.91	62,710,080.94
Business-Type Activities:						
Capital assets not being depreciated:						
Land			0.00			0.00
Work in Progress			0.00			0.00
Total capital assets not being depreciated	0.00	0.00	0.00	0.00	0.00	0.00
Capital assets being depreciated:						
Land Improvements			0.00			0.00
Buildings			0.00			0.00
Equipment			0.00			0.00
Total capital assets being depreciated	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation for:						
Land Improvements			0.00			0.00
Buildings			0.00			0.00
Equipment			0.00			0.00
Total accumulated depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Total capital assets being depreciated, net	0.00	0.00	0.00	0.00	0.00	0.00
Business-type activity capital assets, net	0.00	0.00	0.00	0.00	0.00	0.00

Unaudited Actuals
San Diego County Office of Education
2016-17 Unaudited Actuals
37 10371 0000000
San Diego County
Schedule of Long-Term Liabilities
Form DEBT

	Unaudited Balance July 1	Audit Adjustments/ Restatements	Audited Balance July 1	Increases	Decreases	Ending Balance June 30	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds Payable			0.00			0.00	
State School Building Loans Payable			0.00			0.00	
Certificates of Participation Payable			0.00			0.00	
Capital Leases Payable	357,482.70		357,482.70	432,027.00	501,295.70	288,214.00	99,842.00
Lease Revenue Bonds Payable			0.00			0.00	
Other General Long-Term Debt			0.00			0.00	
Net Pension Liability	105,760,407.00		105,760,407.00	32,733,190.00		138,493,597.00	
Net OPEB Obligation	7,690,722.25		7,690,722.25	1,619,788.35		9,310,510.60	
Compensated Absences Payable	2,627,837.59		2,627,837.59	612,030.94		3,239,868.53	3,239,868.53
Governmental activities long-term liabilities	116,436,449.54	0.00	116,436,449.54	35,397,036.29	501,295.70	151,332,190.13	3,339,710.53
Business-Type Activities:							
General Obligation Bonds Payable			0.00			0.00	
State School Building Loans Payable			0.00			0.00	
Certificates of Participation Payable			0.00			0.00	
Capital Leases Payable			0.00			0.00	
Lease Revenue Bonds Payable			0.00			0.00	
Other General Long-Term Debt			0.00			0.00	
Net Pension Liability			0.00			0.00	
Net OPEB Obligation			0.00			0.00	
Compensated Absences Payable			0.00			0.00	
Business-type activities long-term liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00

California Dept of Education
SACS Financial Reporting Software - 2017.2.0
File: debt (Rev 06/22/2015)
12.21 GASB 34
Page 1 of 1
Printed: 5/23/2018 1:47 PM

Unaudited Actuals
2016-17 Unaudited Actuals
Government-wide Statement of Activities

San Diego County

37 00000 0000000
Report GSA

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
Instruction	54,391,309	1,620,943	29,231,767	320	(23,538,279)		(23,538,279)
Instruction-related services:							
Instructional supervision and administration	103,390,169	14,545,700	68,315,733	0	(20,528,736)		(20,528,736)
Instructional library, media and technology	2,546,562	308,555	334,570	0	(1,903,437)		(1,903,437)
School site administration	7,382,408	0	473,105	0	(6,909,303)		(6,909,303)
Pupil services:							
Home-to-school transportation	0	0	0	0	0		0
Food services	1,690,606	5,692	458,694	0	(1,226,220)		(1,226,220)
All other pupil services	6,773,040	235,631	4,523,911	0	(2,013,498)		(2,013,498)
General administration:							
Centralized data processing	19,670,108	0	7,496	0	(19,662,612)		(19,662,612)
All other general administration	22,547,315	1,051,795	3,939,161	0	(17,556,359)		(17,556,359)
Plant services	12,831,483	215,535	929,825	0	(11,686,123)		(11,686,123)
Ancillary services	116,741	46,765	5,170	0	(64,806)		(64,806)
Community services	23,682	400	44	0	(23,238)		(23,238)
Enterprise activities	349,638	16,898	1,868	0	(330,872)		(330,872)
Interest on long-term debt	(123,657)				123,657		123,657
Other outgo	247,033,141	8,829,506	224,704,730	0	(13,498,905)		(13,498,905)
Depreciation (unallocated)*	661,073				(661,073)		(661,073)
Business-type activities							
Instruction	0	0	0	0		0	0
Instruction-related services:							
Instructional supervision and administration	0	0	0	0		0	0
Instructional library, media and technology	0	0	0	0		0	0
School site administration	0	0	0	0		0	0
Pupil services:							
Home-to-school transportation	0	0	0	0		0	0
Food services	0	0	0	0		0	0
All other pupil services	0	0	0	0		0	0
General administration:							
Centralized data processing	0	0	0	0		0	0
All other general administration	0	0	0	0		0	0
Plant services	0	0	0	0		0	0
Ancillary services	0	0	0	0		0	0
Community services	0	0	0	0		0	0
Enterprise activities	0	0	0	0		0	0
Interest on long-term debt	0					0	0
Other outgo	0	0	0	0		0	0
Total expenses	479,283,618	26,877,420	332,926,074	320	(119,479,804)	0	(119,479,804)
General revenues:							
Taxes and subventions:							
Taxes levied for general purposes					75,111,739	0	75,111,739
Taxes levied for debt service					0	0	0
Taxes levied for other specific purposes					3,121,552	0	3,121,552
Federal and state aid not restricted to specific purposes					37,059,895	0	37,059,895
Interest and investment earnings					1,905,995	0	1,905,995
Interagency revenues					0	0	0
Miscellaneous					20,021,667	0	20,021,667
Special and extraordinary items					0	0	0
Internal transfers					0	0	0
Total general revenues, special and extraordinary items, and transfers					137,220,848	0	137,220,848
Change in net position					17,741,044	0	17,741,044
Net position beginning					179,099,659	0	179,099,659
Net position ending					196,840,703	0	196,840,703

*This amount excludes depreciation that is included in the direct expenses of various programs.

Step 6: Management Discussion & Analysis

- The Management Discussion & Analysis (MD&A) provides a narrative introduction and analysis of the financial statements. This will be included in your final audit.

- Compare current-year to prior year.

- Provide an analysis of the district's overall financial position.

- Provide analysis of individual funds.

- Provide an analysis of budget to actual results.

- Provide a description of capital asset and long-term debt activity.

- Charts and graphs are encouraged.

- Provide a description of known facts, conditions, or decisions expected to have a significant effect on financial position such as declining enrollment, state budget cuts, opening new schools, etc.

Section 12

GASB 54

GASB 54
Governmental Fund Type Definitions

In February 2009, the Governmental Accounting Standards Board issued Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement significantly changed the categories and terminology used to describe the components of the ending fund balance. These changes are intended to enhance how fund balance information is reported by establishing new classifications that are easier to understand. GASB 54 also clarifies the definition of some governmental funds.

Governmental Fund Type Definitions

General Fund (SACS 01)
- To account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds (SACS 09-20)
- To account for and report the proceeds of *specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.*

Capital Projects Funds (SACS 21-50)
- To account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlay.

Debt Service Funds (SACS 51-56)
- To account for and report financial resources that are restricted, committed or assigned to expenditures for principal & interest.

Permanent Funds (SACS 57-60)

- To account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Special Revenue Funds

- Used only to report the proceeds of specific revenue sources that are restricted or committed to purposes other than debt service and capital outlay.
- One or more specific restricted or committed revenue sources should be the foundation for a special revenue fund.
- The restricted or committed revenue source expected to continue and comprise a "substantial" portion of the inflows reported in the fund (industry standard is around 20 – 50%).
- The restricted or committed revenue source is expected to continue.
- Other revenue sources (i.e. interfund transfers) may be reported in the fund if those resources are restricted or committed to the specified purpose of the fund.
- Discontinue use of a Special Revenue fund if restricted or committed revenue sources no longer compose a substantial portion of the fund.
- If no further inflows expected, LEA can spend down remaining restricted balances and then close the fund.
- Maintaining a committed or restricted balance, alone, is NOT sufficient to justify the continued use of a special revenue fund.

Special Revenue Funds 11 and 14

- Adult Education and Deferred Maintenance
- Flexibility provisions make these revenue sources unrestricted.
- Districts that elect to continue using these funds must take formal board action to *commit* fund balances. Amounts transferred into these funds must also be formally committed.
- Flexibility provisions will subset, so CDE has elected not to close these funds.
- Fund 14, Deferred Maintenance Fund, funding consolidated into LCFF effective 2013-14, however, Education Code 17582 allows school districts to maintain a deferred maintenance fund.
  - Not required, may use general fund for deferred maintenance.

Special Revenue Funds 17 and 20

- Special Reserve Funds 17 and 20 does not contain *specific revenue sources that are restricted or committed to expenditures for specified purposes.*
- They basically function as an extension of the general fund.
- Fund balance will be classified as *assigned* in Funds 17 and 20.
- Fund 17 will also allow *unassigned* under Object Code 9789, Reserve for Economic Uncertainties.
- May be combined with the general fund for presentation in the audited financial statements, or the departure from GAAP can be explained in the financial statements.

Actions to Take

- Adopt policies before year end (year adopted).
- Take formal action on commitments before year end.
- Evaluate fund use and make changes if needed (i.e. Funds 11, 14, 17 and 20).
- Explain the requirements to your Board.
- Read CDE advisory and consult with auditors.

Policies and Note Disclosures

- Description of the authority and actions that lead to *committed* and *assigned* fund balance.
- Identify highest level of decision-making authority.
- Type of formal action required to establish, modify or rescind a commitment of fund balance.
- The body or official authorized to *assign* amounts to specific purposes, and the policy pursuant to that authorization.

Classifying Fund Balance Amounts (Spending Order Policy)

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, determine whether the district considers restricted or unrestricted funds to have been spent first.
- When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, determine whether the district considers *committed* amounts reduced first, then *assigned*, and then *unassigned*.

Minimum Fund Balance Policy

- Reserve for Economic Uncertainties (REU).
- The governing board should describe in the notes to its financial statements the policy established by the district that sets forth the minimum amount or percentage.
- If the district uses Fund 17 for a portion of the REU, the policy should reflect some language for this.

Stabilization Arrangements

Stabilization arrangements more formal than the minimum fund balance policy should include the following in the note disclosure:

- The authority for establishing stabilization arrangements;
- The requirements for additions to the amount;
- The conditions under which stabilization amounts may be spent; and
- The stabilization balance, if not apparent.

Sample resolutions can be found at our website at:
http://www.sdcoe.net/business-services/financial-services/Pages/Fund-Resolutions.aspx

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Section 12

GASB 75

GASB 75
Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions

GASB 75 supersedes GASB 45. Effective for fiscal years beginning after June 15, 2017.

Applies to employers that provide OPEB through plans (a)administered or (b) not administered through qualifying trusts or equivalent arrangements.

Provides accounting & financial reporting guidance for governments that provide OPEB to their employees and for governments that are legally required to finance OPEB for employees of other governments.

Relates only to how costs and liabilities are measured and reported in the financial statements, not how a government should fund its OPEB plan.

New Terminology:

Current Terminology	GASB 74 & 75
Normal Cost (NC)	Service Cost (SC)
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Actuarial Value of Assets (AVA)	OPEB Fiduciary Net Position
Unfunded Actuarial Accued Liability (UAAL)	Net OPEB Liability
Annual Required Contribution (ARC)/Annual OPEB Cost	OPEB Expense
Amorization Bases	Deferred Inflows/Outflows of Resources
Amorization Payments	Recognition of Deferred Inflows/Outflows of Resources
Net OPEB Obligation - cumulative difference between expenses and contributions	Net OPEB Liability & Deferred Inflows/Outflows of Resources

Actuarial Determined Contribution (ADC) must conform to actuarial standards; not required to be disclosed unless calculated.

GASB Basics

Employer provides OPEB through plan administered through **<u>qualifying trust</u>**
- Recognize Net OPEB Liability
- Net OPEB Liability = Total OPEB Liability – OPEB Plan's Fiduciary Net Position

Employer provides OPEB through **<u>plan NOT administered through qualifying trust</u>**
- Recognize Total OPEB Liability

Plan contribution ≠ OPEB Expense

Significant additional note disclosures and RSI required.

Similar to GASB 68 pension accounting standards

GASB Key Dates & Rules

Actuarial valuation should be done at least biennially.

Valuation Date - Employer: No later than 30 months prior to the financial statement date.
- For FY 06/30/18, the Actuarial Valuation date could be <u>from 12/31/15 through the Measurement Date</u>.

Measurement Date: Date liability and assets measured (Net/Total OPEB Liability measured); no later than the financial statement date and no earlier than the prior year financial statement date (up to 12 month lag allowed).
- For FY 06/30/18, the Measurement Date could be <u>from 06/30/17 through 06/30/18.</u>

Note: Measurement Date >= Valuation Date

Allocating OPEB Costs

This section describes the accounting entries that need to be done by school districts. There are two options discussed in this manual:

- Option 1: Performing manual entries at the end of the fiscal year.
- Option 2: Using the Payroll System throughout the fiscal year

OPTION 1
Manually Allocating Retiree Benefit Costs at Year-End Closing utilizing OPEB Calculator for PeopleSoft
Districts Fully Implementing GASB 45

1. See Excel OPEB Calculator – See Instructions tab
   http://www.sdcoe.net/business-services/financial-services/financial-reporting/Pages/Forms-and-Documents.aspx

OPEB CALCULATOR vs2.0 - INSTRUCTIONS

Key

☐ Indicates data needs to be entered by district

ALLOCATE OPEB Final Calculation button - [click button in "OPEB District Data" tab, after all data has been entered]

Data Entry Tabs (yellow tabs)

OPEB District Data
FAR_GL_ACTUALS_FOR_OPEB
FAR_POSITION_W_EE_AND_ACCOUNT

Calculation Tabs

OPEB Pivot Table

Output Tabs

Journal Entry Form
PS Journal Upload

Instructions

Enable Macros using the ribbon that shows at the top of the Excel menu bar. If this ribbon does not appear, follow the instructions after step 8 to enable macros through the file menu.
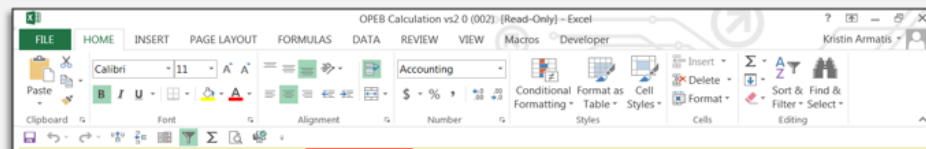
| Instructions | OPEB District Data | FAR_GL_ACTUALS_FOR_OPEB | FAR_POSITION_W_EE_AND_ACCOUNT | OPEB |

OPTION 2
Using Payroll System to Allocate Retiree Benefit Costs

Note: Must have been previously set up at implementation/contacted CRC to utilize option 2.

Part 1: Allocating costs to Objects 3711 and 3712

See CRC Guide Other Post-Employment Benefits:

https://3fa0c64c-a-1433abf9-s-sites.googlegroups.com/a/sdcoe.net/crc/resources/peoplesoft/guides/OPEB%20v1.0.pdf?attachauth=ANoY7comwbUtmqjLG65Md4_zfxTVDlt5UtgITC_ec3Ng81U1hmH0ZaGalHj0FMF8caO2g-ri-006wsALLezccfMSp6O_9PSfQBukjPPdBIwQPxmTL8-9qBlHSsPa5ofM6e_Eexr7NhzeoJKRnDMXBl7wVpIE_mAF5ZNai3cHwyftKi2jL6EiME-AmdIFTmbIL6Xqu-sj9s4pqTX4L7R-DhzlZID-JPRh5zx_o--6_uFpulgKbhixi0M%3D&attredirects=0

Part II: Direct charging costs to Objects 3751 and 3752

See CRC Guide Other Post-Employment Benefits:

https://3fa0c64c-a-1433abf9-s-sites.googlegroups.com/a/sdcoe.net/crc/resources/peoplesoft/guides/OPEB%20v1.0.pdf?attachauth=ANoY7comwbUtmqjLG65Md4_zfxTVDlt5UtgITC_ec3Ng81U1hmH0ZaGalHj0FMF8caO2g-ri-006wsALLezccfMSp6O_9PSfQBukjPPdBIwQPxmTL8-9qBlHSsPa5ofM6e_Eexr7NhzeoJKRnDMXBl7wVpIE_mAF5ZNai3cHwyftKi2jL6EiME-AmdIFTmbIL6Xqu-sj9s4pqTX4L7R-DhzlZID-JPRh5zx_o--6_uFpulgKbhixi0M%3D&attredirects=0

Section 12

GASB 84

GASB 84
Fiduciary Activities

NOTE: GASB NO. 95 Postponement of Effective Dates of Certain Authoritative Guidance approved on May 7, 2020, delayed the implementation of GASB 84 for 2020-21 fiscal year.

SCOPE:
Established criteria for identifying fiduciary actives for all state and local governments and how those activities should be reported.

TIMING:
Effective for reporting periods beginning after December 15, 2018.

GASB Draft Implementation Guide:
https://www.gasb.org/jsp/GASB/Document_C/DocumentPage?cid=1176168786182&acceptedDisclaimer=true

FIDUCIARY ACTIVITIES - GASB 84

Types of Fiduciary Activities

Fiduciary component units

Pension & OPEB arrangements that are not component units

Other fiduciary activities

Custodial Funds (replaced Agency Funds)

Pension & OPEB arrangements

Other arrangements

Evaluate Warrant Pass-Through and ASB Funds

1) Pension and other employee benefits trust funds (SACS Fund 71)
2) Investment trust funds (not used by California LEAs)
3) Private-purpose trust funds (SACS Fund 73)
4) Custodial Funds (SACS Funds 76 & 95)

Component Units

First steps in determining whether an activity is a fiduciary activity is determining if the entity is a **component unit** pursuant to GASB 14, as amended.

Component Unit Defined:
- Organizations that are legally separate from the Primary Government & which the elected officials of the primary government are fiscally accountable
- Or misleading to exclude criteria

When Is There A Component Unit?
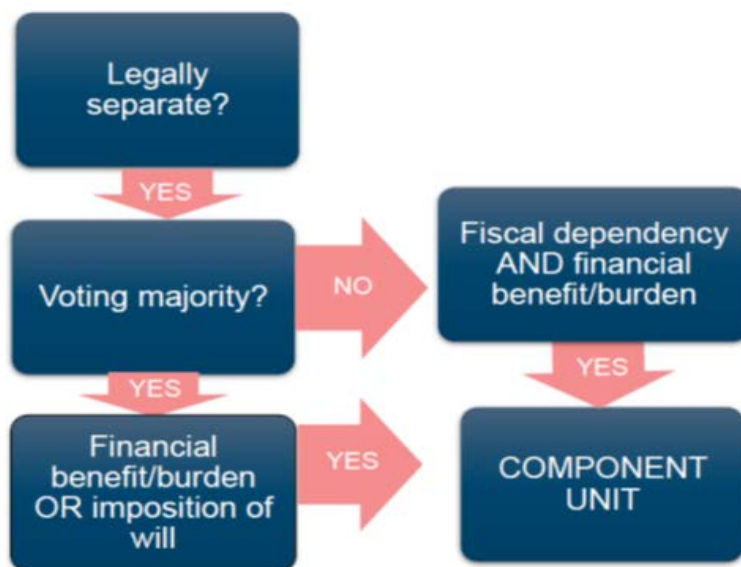
Component Units

<u>Legally Separate:</u>
- Pension/OPEB plans administered through trusts under GASB 67/74 are legally separate entities for purposes of GASB 84

<u>Board Composition:</u>
- Retirement benefits administered through trusts may not have a traditional board

<u>Financial Burden:</u>
- Primary Government considered to have financial burden if legally obligated or has otherwise assumed obligation to make contributions to pension or OPEB plan

GASB 84
Fiduciary Activities

When Should a Government Report Assets in a Fiduciary Fund?

Four paths to making this determination:

Are the assets held by a component unit?

- Yes
- No

Are the assets held for a pension or OPEB arrangement?

- Yes
- No
- Yes
- No

| 1 | 2 | 3 | 4 |
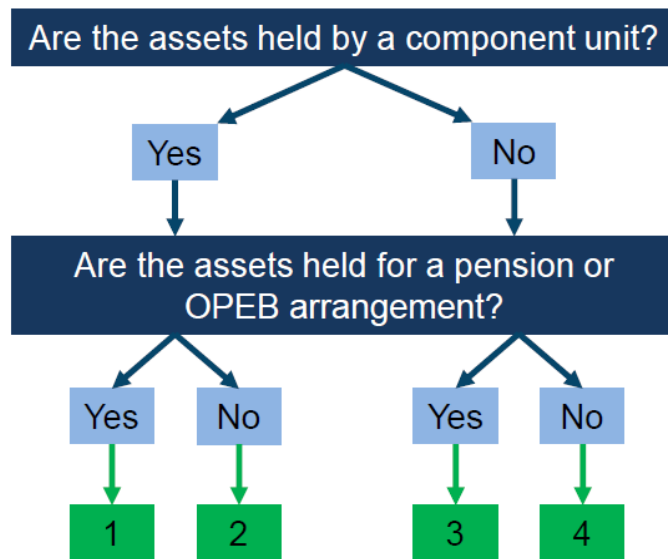
Four Paths

PATH 1

Fiduciary Component Units - Pension and OPEB Plans (SACS Fund 71)

Meets component unit (CU) criteria of GASB 14, as amended, AND
Is <u>one</u> of the following arrangements
- Pension plan administered through a trust (GASB 67, paragraph 3)
- Assets accumulated for pensions not in a trust from entities not part of the reporting entity (GASB 73, paragraph 116)
- OPEB plan administered through a trust (GASB 74, paragraph 3)
- Assets accumulated for OPEB not in a trust from entities not part of the reporting entity (GASB 74, paragraph 59)

PATH 2

Fiduciary Component Units - Other Arrangements (if not a pension or OPEB arrangement)

Have one or more of the following characteristics (GASB 84, paragraph 8)
- The assets are (1) Administered through a trust agreement <u>or equivalent arrangement</u> in which the government itself is not a beneficiary (2) Dedicated to providing benefits to recipients in accordance with the benefit terms (3) Legally protected from the creditors of the government
- The assets are for the benefit of individuals and the government does not have administrative involvement with the assets or direct financial involvement with the assets. In addition, the assets are not derived from the government's provision of goods or services to those individuals.
- The assets are for the benefit of organizations or other governments that are not part of the financial reporting entity. In addition, the assets are not derived from the government's provision of goods or services to those organizations or other governments.

Four Paths (Continued)

PATH 3

*Pension and OPEB arrangements that are **not component units*** are fiduciary if the government **controls the assets** of the arrangement and the arrangement is **one of the following arrangements from Path 1.**

PATH 4

Other Fiduciary Activities (must meet all three)
- Assets are controlled (holds the assets) by the government, and
- Assets not derived from own-source revenues (i.e. property taxes, state & federal grants), and
- Assets have <u>one</u> of the following characteristics

Administered through a trust or equivalent arrangement	For the benefit of individuals	For the benefit of other organizations
• Government is not the beneficiary • Assets dedicated to providing benefits to recipients under benefit terms • Assets legally protected from creditors of the government	• Government does not have administrative or direct financial involvement (similar to GASB 24 ¶5) • Assets not derived from government's provision of goods and services to those individuals	• Not part of the financial reporting entity • Assets not derived from government's provision of goods and services to other organization

CERBT/OPEB trust under PARS Determination

Not considered fiduciary to LEAs and districts will NOT need to record transactions in Fund 71 as part of GASB 84 implementation.

Determination is based upon the California Committee on Municipal Accounting's (CCMA) White Paper on GASB 84:

https://www.calcpa.org/~/media/resources/public%20white%20papers/gasb%2084%20white%20paper%20-%20final%203-31-2020.pdf?h=16&thn=1&w=16&la=en

Section 2 – OPEB Plans (Continued)

Agent Multiple Employer Plan – OPEB under PARS

1) Legally separate – *Yes*
2) Voting Majority – The OPEB Plan Board is the same as the Employer's Governing Body - *No*
3) Financial benefit/burden or imposition of will and Fiscal Dependency
   a. Employer makes contributions to the plan (financial burden) – *Yes*
   b. Approval of the plan's budget or contributions requirements by Primary Government (imposition of will AND fiscal dependency) – *No*
4) Employer has control of the assets – *No*, while the employer has the ability to direct use, exchange or employment of total trust assets, providing benefits to specified recipients for their portion of the trust, the employer does not have control of the assets of the PARS OPEB Plan as a whole.

Recommendation: Not a fiduciary activity; exclude from Fiduciary Fund Financial Statements.

CALIFORNIA SPECIFIC PLANS

Agent Multiple Employer Plan – OPEB under CERBT (CalPERS)

1) Legally separate – *Yes*
2) Voting Majority – The OPEB Plan Board is the same as the Employer's Governing Body - *No*
3) Financial benefit/burden or imposition of will and Fiscal Dependency
   a. Employer makes contributions to the plan (financial burden) – *Yes*
   b. Approval of the plan's budget or contributions requirements by Primary Government (imposition of will AND fiscal dependency) – *No*
4) Employer has control of the assets – *No*, while the employer has the ability to direct use, exchange or employment of assets, providing benefits to specified recipients for their portion of the trust, the employer does not control the assets of the CERBT as a whole.

Recommendation: Not a fiduciary activity; exclude from Fiduciary Fund Financial Statements.

GASB 84
Other Fiduciary Activities

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities for all state and local governments. This statement is effective for fiscal years beginning after Dec. 15, 2018.

GASB 84, eliminated Agency Funds and replaced them with Custodial Funds

- Used for reporting fiduciary activities that are not required to be reported in the Other Fiduciary Funds
- Additional financial statement reporting (i.e., statement of changes in fiduciary net position)

SACS Fund 08 - Student Activity Special Revenue Fund is a new special revenue fund established to allow LEAs to account for governmental associated student body activities in accordance with the provisions of GASB Statement 84.

SACS Fund 76 Warrant/Pass-Through Fund and Fund 95 Fiduciary Activities Fund expanded to include additions to and deductions from reporting elements.

Associate Student Body (ASB)

Evaluate if meets criteria to be reported as a <u>Fiduciary Activity</u>
- ✓ School district controls the assets
- ✓ Not from owner-source revenues
- ? No administrative involvement

Administrative Involvement Sample Determination

"In assessing whether a government has administrative involvement, a "Substance versus form" consideration is appropriate. **That is**, the **government's role would have substance** if the school board, school administrator, or faculty advisor (representative of the school) **establishes how the resources can be spent through approved policies**." - draft GASB Implementation Guide for GASB 84

EXAMPLES:

<u>Scenario 1</u>: The student club president, with the members of the club, establishes how resources can be spent and approves disbursements from the account.
Determination: No administrative involvement by school district. - FIDUCIARY ACTIVITY

<u>Scenario 2</u>: Parents of the club members establish how resources can be spent.
Determination: No administrative involvement by school district. - FIDUCIARY ACTIVITY

<u>Scenario 3</u>: School board establishes and approves policies which only addresses issues such as authorized account signers and the prohibition of spending for illegal activities.
Determination: No administrative involvement by school district. - FIDUCIARY ACTIVITY

Associate Student Body (Continued)

Scenario 4: Disbursements from the club are approved by a faculty advisor assigned to the club on behalf of the school district.
Determination: Administrative involvement by the school district. - GOVERNMENTAL ACTIVITY

Scenario 5: School board establishes and approves policies related to the receipt, disbursement and holding of funds for student clubs.
Determination: Administrative involvement by the school district. - GOVERNMENTAL ACTIVITY

Scenario 6: State establishes specific guidelines on how club resources can be spent through administrative policy.
Determination: Administrative involvement by the school district. - GOVERNMENTAL ACTIVITY

Scenario 7: A school board is responsible for establishing fees charged by student clubs.
Determination: Administrative involvement by the school district. - GOVERNMENTAL ACTIVITY

Associate Student Body (Continued)

Most unorganized ASB activities in California school district are not considered fiduciary because they do not appear to meet the criteria established by GASB 84, paragraph 11(c)(2)., thus, report in Fund 08 or General Fund.

Unorganized ASBs (EC 48938) – expenditures are subject to the approval of an appointed employee or official designated by the school district governing board

Organized ASBs (EC 48933) – expenditures are subject to the preapproval of three people: an employee official of the school district designated by the governing board, the ASB advisor (must be a certificated employee), and a student representative of the ASB organization

The key determination regarding whether LEAs have administrative involvement in organized ASB activities is if LEA staff designated by the governing board to approve ASB expenditures have the authority to disapprove or amend the ASB expenditures, versus "rubber stamp" approval.

Factors to Consider:

- ASBs are generally not legally separate from school districts
- School districts controls the assets
- Assets are for the benefit of individuals and school districts do have administrative or direct financial involvement with the assets; as ASB board designee (principal/school administrator) is an employee of the district.

RECOMMENDATION: Most ASB activities are Governmental Activities (Report in General Fund or New Fund 08). If reporting in Fund 95, must be able to support decision that activity qualifies and meets criteria as Fiduciary under GASB 84.

Associate Student Body (Continued)

NEW Fund 08 (will apply to most):
- Must include in 2020-21 Unaudited Actuals.
- Take Resolution to board to establish new fund for recording purposes.
- It is an LEAs local policy determination on frequency of recording transactions onto district's financial system.
- Record summary of activity in Fund 08 (or Fund 95, if activity determined to be fiduciary) and ensure that it reconciles to your ASB recordkeeping. Auditors will request a reconciliation.
- Districts may choose to record governmental ASB activities in Fund 01, in-lieu of Fund 08, dependent on district policy.
- Year of Implementation - DR. Object 9120 Cash in Bank and CR. Object 9795 Other Restatements
    - Using Object 9791 Beginning Balance will cause a SACS TRC

Note: GASB 84 does not require these transactions to be processed at the County Treasury and transactions should generally remain at the district's local bank account level (cash in bank) and not the County Treasury.

Accounting for ASB Activities
- NEW Resource 8210 - Student Activity Established
- See SACS January 29, 2020 Matrix Tables for valid combinations
    - SACS Summary of Changes 01-29-2020.docx
    - SACS Matrix Updates January 29, 2020.docx

Fund 76 - Warrant Pass-Through Funds

- Acceptable for COE to record accumulation of payroll withholdings on behalf of its school districts in Fund 76
- Accumulation of payroll withholdings from the county office's own operation should not be accounted for in Fund 76

Example:
The COE collected $10 million in payroll withholding on behalf of school districts and $5 million for its own employees, for a total amount collected of $15 million. By fiscal year end, $9 million was distributed to the appropriate agencies on behalf of school districts and $3.5 million was distributed for itself, for a total of $12.5 million distributed.

Pre-GASB 84 (Fund 76)	Post GASB 84 (Fund 76)
1) $15 million payroll withholding collected and held for COE and its school districts. Debit Object 9110, $15 million Credit Object 9620, $15 million All payroll withholding, COE and school districts, reported in Fund 76.	1) $10 million payroll withholding collected for its school districts Debit Object 9110, $10 million **Credit Object 8800, $10 million** **Debit Object 7500, $10 million** Credit Object 9620, $10 million Only school district payroll withholding reported in Fund 76. **(Note the use of new object codes for reporting amounts received and disbursed.)**
2) $12.5 million distributed Debit Object 9620, $12.5 million Credit Object 9110, $12.5 million	2) $9 million distributed Debit Object 9620, $9 million Credit Object 9110, $9 million

Fund 76 - Warrant Pass-Through Funds (Continued)

Pre-GASB 84 (Fund 01)	Post-GASB 84 (Fund 01)
1) $5 million COE payroll withholding expenditures Debit Object 3XXX, $5 million Credit Object 9110, $5 million The payroll withholding (benefit) expenditures are reported in Fund 01, but cash is transferred and liability established in Fund 76.	1) $5 million COE payroll withholding expenditures a) Debit Object 3XXX, $5 million Credit Object 9500, $5 million b) $3.5 million was distributed Debit Object 9500, $3.5 million Credit Object 9110, $3.5 million The COE's payroll withholding liability is established in and paid from Fund 01.

Liability Recognition

LEA is holding scholarship donations on behalf of a student body group, and <u>if the activity is Fiduciary & recorded in Fund 95 (will NOT apply to most as a majority of ASB activities considered governmental</u> and recorded in Fund 08).

- o Prior to GASB 84: LEA would record the transaction by debiting assets (cash) and crediting liabilities for the same amount when the donations were received.
- o GASB 84 accounting: The LEA should not recognize a liability immediately in the custodial fund when the donations are received. The LEA should record the transaction by debiting assets (cash) and crediting new Object 8800 to record the donations received. The donations are reported as part of the net position at year-end to the extent the LEA is not compelled to disburse those donations, e.g., scholarship recipients have not been selected.

NOTE: In certain cases, an LEA incurs a liability as soon as it takes control of fiduciary resources if the beneficiary does not need to take action to compel the LEA to disburse the fiduciary resources. For example, when a <u>county office of education receives payroll tax withholding on behalf of its school districts</u>.

Scholarship Funds

Reported in <u>Fund 73</u>, Foundation Private-Purpose Trust Fund if**,**
- Administered through a <u>trust agreement</u> and GASB 84 <u>fiduciary criteria are met.</u>
- Scholarship funds are not administered through a formal trust agreement, but fiduciary criteria are otherwise met.

Scholarship funds that are not administered through a trust and do not meet fiduciary criteria should be reported in the general fund.

Cash Conduit

When a recipient LEA transfers pass-through grants or other pass-through funds to a subrecipient LEA, and the recipient LEA has no administrative or direct financial involvement.

- Meets all three criteria of GASB 84, paragraph 11 (11.a through 11.c.) for determining the "other" type of fiduciary activity that would be reported in a custodial fund, i.e., Fund 76.

Note: See *CSAM Procedure 750, Pass-Through and Cooperative Projects,* regarding cash conduit and other models of funding passed through to other LEAs.

See: May 14, 2019 SACS Forum Meeting Minutes

Reference Links

GASB 84 Implementation Guide
https://www.gasb.org/jsp/GASB/Document_C/DocumentPage?cid=1176168786182&acceptedDisclaimer=true

CDE SACS Forum
https://www.cde.ca.gov/fg/ac/ac/sacsforumrecap.asp
October 9, 2018 SACS Forum Meeting Minutes
February 12, 2019 SACS Forum Meeting Minutes
May 14, 2019 SACS Forum Meeting Minutes
October 8, 2019 SACS Forum Meeting Minutes
February 24, 2020 SACS Forum Meeting Minutes
May 12, 2020 SACS Forum Meeting Minutes
October 19, 2020 SACS Forum Meeting Minutes

TEMPORARY BORROWING

School districts are allowed to borrow money when cash flow is insufficient for payment of obligations. This section provides districts with options to consider in case of cash flow shortfalls. These options include:

Interfund Borrowings
- Temporary loans between funds using Due To and Due From Accounts

Short-term Borrowings from External Sources
- Temporary Transfer of Funds (TTF) at the County Auditor and Treasurer
- Tax and Revenue Anticipation Notes (TRANs)

Included are instructions and some sample resolutions for your reference.

Interfund Borrowings

Temporary loans using the Due To/Due From accounts must have governing board approval and conform to Education Code section 42603. For your reference, a sample resolution is provided on the next page.

> ***EC 42603. Transfer of special or restricted fund moneys***
> *The governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account. Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. Borrowing shall occur only when the fund or account receiving the money will earn sufficient income, during the current fiscal year, to repay the amount transferred. No more than 75 percent of the maximum of moneys held in any fund or account during a current fiscal year may be transferred.*
> *(Stats.1976, c. 1010, 2, operative April 30, 1977. Amended by Stats.1977, c. 36, 177, eff. April 29, 1977, operative April 30, 1977; Stats.1978, c. 434, p. 1509, 1; Stats.1987, c. 586, 5.)*

9311	Due From Other Funds	(Asset) amount due from another district fund
9611	Due To Other Funds	(Liability) amount due to another district fund

The Due To (9611) in one district fund must equal the Due From (9311) in another district fund or the district general ledger will be out of balance. A recommendation when establishing Due To/Due From accounts is to use sub-accounts. When the posting the repayment, reverse the original entry.

Account	Fund	Resource	Object	Debit	Credit
Due From Other Funds	0100	0000	9311013	$100,000	
Cash	0100	0000	9110000		$100,000
Cash	1300	0000	9110000	$100,000	
Due To Other Funds	1300	0000	9611001		$100,000

3

(Sample Resolution for Interfund Borrowings)

_____ SCHOOL DISTRICT
RESOLUTION NO. _____

RESOLUTION TO ESTABLISH TEMPORARY INTERFUND   )
TRANSFERS OF SPECIAL OR RESTRICTED FUND MONEYS)

    ON MOTION of Member _____, seconded by Member _____, the following resolution is hereby adopted:

    WHEREAS, the governing board of any school district may direct that moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations as authorized by Education Code section 42603, and

    WHEREAS, the transfer shall be accounted for as temporary borrowing between funds or accounts and shall not be available for appropriation or be considered income to the borrowing fund or account, and

    WHEREAS, amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year,

    THEREFORE, BE IT RESOLVED that the Governing Board of the _____ School District, in accordance with the provisions of Education Code section 42603 adopts the following authorization for fiscal year 20___ -20 ___ to temporarily transfer funds between the following funds provided that all transfers are approved by the Superintendent or his designee:

(List applicable funds)

    PASSED AND ADOPTED by the Governing Board on _____ 20___, by the following vote:
AYES:
NOES:
ABSENT:

STATE OF CALIFORNIA   )
) ss
COUNTY OF SAN DIEGO)

    I, _____, Clerk/Secretary of the Governing Board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

WITNESSED my hand this _____ day of _____, 20_____.

_____
Clerk/Secretary of the Governing Board

Temporary Transfer of Fund from the County Treasurer

Education Code Section 42620 allows for the county board of supervisors to loan money to school districts when certain conditions exist. Section 6 of Article XVI of the Constitution of the State of California requires that such loans must be made before the last Monday in April. The San Diego County policies regarding the Temporary Transfer of Fund (TTF) are as follows:

1. School districts can borrow up to 85% of the revenue accruing to the district by June 30, 2022. Allowable revenue(s) to leverage are: property taxes, principal apportionment (PA), and/or education protection account (EPA).

2. The loan repayment will be taken from the leverage revenues at the time of distribution to the school district. Therefore, the entire loan will be repaid by June 30, 2022.

3. The County requires 30 days to review the TTF documents when borrowing against PA and/or EPA revenues. As such, the firm deadline for the final documents to be received by SDCOE is **March 15, 2022** for the April (last Monday) drawdown.

4. Districts that are interested in participating in the TTF program must complete and submit the attached four documents:

    i.   TTF Checklist CoSD
    ii. TTF Resolution
    iii. TTF Transfer Agreement
    iv. TTF Transfer Request

    Completed documents should be emailed as soon as approved and signed to Maria Soto at msoto@sdcoe.net and Roxanna Travers roxanna.travers@sdcoe.net but no later than the dates listed in item 3 above. Submit the hardcopy of the forms with original signatures to Maria Soto San Diego County Office of Education, Financial Accounting & Reporting, room 608 as soon as possible but no later than the dates listed in item 3 above.

(Sample of TTF Checklist)

San Diego County Office of Education
Temporary Transfer of Funds
Checklist of Required Forms & Actions

District: _____

Resolution No: _____

Check the revenue type(s) related to the TTF documents:

☐ Property Taxes ☐ Principal Apportionment ☐ Education Protection Account

IMPORTANT Please ensure that the current version of the Board Resolution, Temporary Transfer Agreement, and Request for Temporary Transfer of Funds templates have been used by the District before completing the checklist. The documents that should be in use must have an effective date of March 12, 2021. These documents in their current form have been reviewed & approved by the County of San Diego's legal department as such Districts cannot change any of the content that is typed in black font. Upon our review, if any content in black font has been changed the documents will be invalid and returned to the District.

1. Board Resolution

    a. ☐ Completed all required fields:

        i. ☐ Resolution number in header
        ii. ☐ Revenue type(s) in header
        iii. ☐ District name must match on:
            1. ☐ Top – Page 1
            2. ☐ Top – Page 3
            3. ☐ Bottom – Page 3
        iv. ☐ Name of board members – motioned & second (Page 1)
        v. ☐ Date of board approved budget (Page 1) must be EQUAL TO or BEFORE the date on Page 3 "*PASSED and ADOPTED*" date
        vi. ☐ Check type of budget (Page 1)
        vii. ☐ Fiscal year of borrowing filled in (Page 1)
            1. ☐ Check revenue type(s) (The same types must be checked in vii, viii, xi, & xiii)
            2. ☐ Estimated Annual amount(s) filled in for each revenue type(s) checked
            3. ☐ Check Annual total amount is calculated properly
        viii. ☐ PRIOR fiscal year filled in (Page 1)
            1. ☐ Check revenue type(s) (The same types must be checked in vii, viii, xi, & xiii)
            2. ☐ Amount(s) filled in for each revenue type(s) checked
            3. ☐ Check total amount is calculated properly
        ix. ☐ Year for last Monday in April (Page 2)
        x. ☐ 85% not to exceed amount – confirm amount is calculated correctly & must be greater than or equal to amount on **Request for TTF** form (Page 2)

  xi. ☐ Check revenue type(s) (Page 2 section 1 - the same types must be checked in vii, viii, xi, & xiii)

  xii. ☐ Fiscal year of borrowing (Page 2)

  xiii. ☐ Check revenue type(s) (Page 2 section 3 - the same types must be checked in vii, viii, xi, & xiii)

  xiv. ☐ "*PASSED and ADOPTED*" date is EQUAL TO or AFTER the date of board approved budget date (Page 3)

  xv. ☐ Vote shows majority AYES

  xvi. ☐ Name of Board Clerk/Secretary

  xvii. ☐ Verify all the red font instructions have been removed from the document

b. ☐ Sign & date (Page 3)

  i. Signature of Clerk/Secretary of the governing board
  ii. Date is BEFORE or EQUAL TO date on the **Temporary Transfer Agreement**

c. ☐ Email a copy of the **TTF Resolution** (must be submitted with **Temporary Transfer Agreement**) to msoto@sdcoe.net

d. ☐ Send **TTF Resolution** with original signature (must be submitted with **Temporary Transfer Agreement**):

  San Diego County Office of Education
  6401 Linda Vista Rd., Room 608
  San Diego, CA 92111
  Attention: Maria Soto-Delfin

e. ☐ Must be received at the Auditor & Controller's office:

  i. 15 days before the drawdown of a property tax TTF
  ii. 30 days before the drawdown of a principal apportionment TTF or EPA

2. Temporary Transfer Agreement

a. ☐ Complete all required fields:

  i. ☐ Revenue type(s) in header must match the revenue types in the **TTF Resolution**
  ii. ☐ "*Made and effective*" date on **Temporary Transfer Agreement** (Page 1) must be EQUAL TO or AFTER the "*PASSED and ADOPTED*" date of the **TTF Resolution** date
  iii. ☐ District name matches
    ☐ Top – Page 1
    ☐ Middle – Page 3
    ☐ End – Page 4
  iv. ☐ RECITALS (Page 1) – Resolution number must match the number on **TTF Resolution**
  v. ☐ Fiscal year of borrowing (Page 1 section 1 & page 2 section 4)

vi. ☐ Check Revenue Type(s) must match the revenue types in the **TTF Resolution**
vii. ☐ Enter exhibit reference letter (A, B, C, etc.) for necessary documentation for each type of revenue as indicated in table (Page 2 section 1)
viii. ☐ Enter the date of the last Monday in April in the fiscal year of borrowing
ix. ☐ District contact information (Page 3 section 5)
x. ☐ Name & title of signatory is completed – can be CBO or Superintendent
xi. ☐ Verify all the red font instructions have been removed from the document

b. ☐ Sign & date (Page 4)

i. ☐ Signature of CBO or Superintendent
ii. ☐ Date of signature must be EQUAL TO or AFTER the date of the signature on the **Resolution**

c. ☐ Submit with the **TTF Resolution** (item 1.c. & 1.d. above)

3. Request for Temporary Transfer of Funds

a. ☐ Complete all required fields:

i. ☐ District name must match on:
1. ☐ Top – Page 1
2. ☐ Top – Page 2
ii. ☐ The actual amount to borrow on the **Request for TTF** must be LESS THAN or EQUAL TO 85% of the remaining revenues and must not exceed the amount authorized on the **TTF Resolution** (Page 2 section 1)
1. ☐ Top – Page 1 must match 3.a.ii.2
2. ☐ Top – Page 2 must match 3.a.ii.1
iii. ☐ Fiscal year of borrowing
iv. ☐ The "*board approval date*" matches the "*PASSED and ADOPTED*" date on the **TTF Resolution**
v. ☐ "*Funds needed by this date*" must be AFTER the "*PASSED and ADOPTED*" date on **Resolution** and the "*made and effective*" date on the **Temporary Transfer Agreement**
1. ☐ Top – Page 1 must match 3.a.v.2
2. ☐ Top – Page 2 must match 3.a.v.1
3. Property tax TTF – the drawdown date must be greater than 15 days after the date the Auditor & Controller's office receives the **Request for TTF**
4. Principal apportionment TTF – the drawdown date must be greater than 30 days after the date the Auditor & Controller's office receives the **Request for TTF**
5. Education Protection Account TTF- the drawdown date must be greater than 30 days after the date the Auditor & Controller's office receives the **Request for TTF**

6. TTFs are not available in-lieu of participating in the TRAN pool thus drawdown date on Request for TTF cannot be between July to December without prior (written) approval
  vi. ☐ District contact person
  vii. ☐ Contact telephone number
  viii. ☐ Verify all the red font instructions have been removed from the document

b. ☐   Sign & date

  i. Signature of CBO or Superintendent
  ii. Date of signature must be AFTER the "*PASSED and ADOPTED*" date on the **Resolution** and the **Temporary Transfer Agreement** but BEFORE the "*funds needed by this date*"

c. ☐   Email a copy of the **Request for TTF** to msoto@sdcoe.net

d. ☐   Send **Request for TTF** with original signature to:

San Diego County Office of Education
6401 Linda Vista Rd., Room 608
San Diego, CA 92111
Attention: Maria Soto-Delfin

4. Required Documentation (For Within-Year TTF or Current-Year TTF)

a. ☐   Current Cashflow

  i. ☐ Verify TTF drawdown
  ii. ☐ Verify TTF repayment
  iii. ☐ If Principal Apportionment TTF, verify amount(s) on cash flow schedule reconciles to the California Department of Education schedules
   1. ☐ On cash flow schedule for the months February to August, the sum of State Aid Principle Apportionment (PA), PA Sp. Ed (SDUSD, Poway, & Infant), PA Categoricals, PA Recomputations and Adjustments reconciles to the monthly amounts on the CDE schedule 'PA by Month' tab
  iv. ☐ If Education Protection Account TTF, verify amount on cash flow schedule reconciles to the California Department of Education schedules

b. ☐ If Principal Apportionment TTF, provide the 'California Department of Education Certification of the 20XX-XX First Principal Apportionment Monthly Payment Schedule Summary'

c. ☐ If Education Protection Account TTF, provide the 'Education Protection Account Entitlement and …Principal Apportionment Payment Calculator 20XX-XX Fiscal Year'

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RESOLUTION **(i ENTER RESO #)**
(ii ENTER REVENUE TYPE(S))

RESOLUTION OF GOVERNING BOARD OF **(iii ENTER NAME OF DISTRICT)** DISTRICT
REQUESTING TEMPORARY TRANSFER OF FUNDS

On motion of member **(iv ENTER NAME)**, seconded by member **(iv ENTER NAME)** the following resolution is adopted:

WHEREAS, the California Constitution, Article XVI, Section 6 and Education Code section 42620 or 85220 provide that the Treasurer of the County of San Diego (Treasurer) shall have the power and it shall be his duty to make such temporary transfer from the funds in his custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any district whose funds are in his custody and are paid out solely through his office; such temporary transfer of funds shall be made only upon resolution adopted by the governing board of the County to make such temporary transfer; such temporary transfer of funds shall not exceed 85% of anticipated revenue accruing to the District, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such District before any other obligation of the District; and

WHEREAS, on **(v ENTER MONTH, DAY, YEAR)**, the governing board will/has:
> **(vi CHECK ONE BUDGET TYPE BELOW)**
> _____ Adopt(ed) a tentative budget (community college only)
> _____ Adopt(ed) a final budget (community college only)
> _____ Adopt(ed) an original budget (K-12 school district only)
> _____ Adopt(ed) a revised budget (community college or K-12 school district)

for this District for the fiscal year 20__-__ **(vii ENTER FISCAL YEAR IN WHICH THE TTF WILL BE MADE)** pursuant to the provisions of Education Code sections 42127 or 70901, and the revenue type(s) accruing to the District for said fiscal year are estimated to be as follows:

Revenue Type(s)	Estimated Amount(s)	
_____ Property Taxes	$ _____	
_____ Principal Apportionment(s)	$ _____	
_____ Education Protection Account	$ _____	
	$ _____	Total

and

WHEREAS, the revenue type(s) and amount(s) accrued to this District during the 20__ -__ **(viii ENTER PRIOR FISCAL YEAR)** fiscal year were as follows:

Revenue Type(s)	Amount(s)	
_____ Property Taxes	$ _____	
_____ Principal Apportionment(s)	$ _____	
_____ Education Protection Account	$ _____	
	$ _____	Total

and

WHEREAS, it is necessary to provide funds for meeting obligations incurred for maintenance purposes by this District; AND NOW THEREFORE

RESOLUTION (i ENTER RESO #)
(ii ENTER REVENUE TYPE(S))

IT IS RESOLVED AND ORDERED pursuant to the provisions of the California Constitution, Article XVI, Section 6, and Education Code section 42620 or 85220 as follows:

1. The Board of Supervisors of the County of San Diego is requested to direct the Treasurer to make a temporary transfer from the funds in his custody on or before the last Monday in April, 20___ **(ix ENTER FISCAL YEAR IN WHICH THE TEMPORARY TRANSFER OF FUNDS WILL BE MADE.)** to this District to meet obligations incurred for maintenance purposes in the amount of $**(x ENTER NOT TO EXCEED AMOUNT TO BORROW)**, which does not exceed a total of 85% of remaining:

    <u>Revenue Type(s)</u>
    (xi CHECK REVENUE TYPE(S) BELOW)
    _____ Property Taxes
    _____ Principal Apportionment(s)
    _____ Education Protection Account

    accruing to the District by June 30, 20___ **(xii ENTER THE FISCAL YEAR IN WHICH THE TEMPORARY TRANSFER OF FUNDS WILL TAKE PLACE.)**, as certified by the District Superintendent and verified by the County Auditor and Controller.

2. Funds will be transferred to this District by the Treasurer in sums as requested by the District Superintendent and certified by him/her to be necessary to provide funds for meeting the obligations incurred for maintenance purposes by the District not to exceed the maximum amount herein specified, provided the Treasurer determines that funds in his custody are available for such transfers.

3. Repayment of the funds is anticipated to be made from the:

    <u>Revenue Type(s)</u>
    (xiii CHECK REVENUE TYPE(S) BELOW)
    _____ Property Taxes
    _____ Principal Apportionment(s)
    _____ Education Protection Account

    accruing to the District, however the District recognizes that the source of repayment may be from other revenues accruing to the District before any other obligation. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the County of San Diego Investment Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.

4. The Clerk/Secretary of this Board is directed to file a copy of this resolution with the Board of Supervisors, the County Superintendent of Schools, the County Auditor and Controller, and the County Treasurer-Tax Collector.

5. Authorize the District Superintendent or designee to sign a Temporary Transfer Agreement consistent with the terms of this Resolution.

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RESOLUTION (i ENTER RESO #)
(ii ENTER REVENUE TYPE(S))

PASSED AND ADOPTED by the Governing Board of the **(iii ENTER NAME OF DISTRICT)** District, County of San Diego, State of California, this **(xiv ENTER DAY)** day of **(xiv ENTER MONTH)**, 20**(xiv ENTER YEAR)** by the following vote:

(xv BOARD ACTION MUST SHOW MAJORITY AYES)

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

I, **(xvi ENTER NAME)**, Clerk/Secretary of the Governing Board of the **(iii ENTER NAME OF DISTRICT)** District, County of San Diego, State of California, do hereby certify that the foregoing is a true copy of a resolution adopted by said Board at a meeting thereof, at the time and by the vote therein stated, which original resolution is on file in the office of said Board.

_____   _____
              Date   Clerk/Secretary of the Governing Board

(xvii BLACK FONT CONTENT CANNOT BE CHANGED. IF ANY BLACK FONT CONTENT HAS BEEN CHANGED, THE DOCUMENT WILL BE INVALIDATED. ALL RED FONT INSTRUCTIONS-*INCLUDING THIS ONE*-MUST BE REMOVED FROM THIS DOCUMENT BEFORE IT WILL BE ACCEPTED.)

(Sample of Temporary Transfer Agreement)

TEMPORARY TRANSFER AGREEMENT
(i ENTER REVENUE TYPE(S))

This Temporary Transfer Agreement (Agreement) is made and effective this **(ii ENTER DAY)** day of **(ii ENTER MONTH)**, 20**(ii ENTER YEAR)**, by and between the County of San Diego, California (County) and **(iii ENTER NAME OF SCHOOL DISTRICT)** (District).

RECITALS

WHEREAS, by Resolution No. **(iv ENTER THE RESOLUTION #)** of its Board of Trustees (attached as Exhibit A), the District has requested the Board of Supervisors to make a temporary transfer (Transfer) of monies to meet its current maintenance expenses; and

WHEREAS, California Constitution Article XVI, Section 6, provides that the County Treasurer (Treasurer) shall have the power and the duty to authorize temporary transfers of monies upon the resolution of the Board of Supervisors authorizing such temporary transfer; and

WHEREAS, the Board of Supervisors by Administrative Ordinance Section 119.1 et seq. (Ordinance) has authorized and directed the Auditor and Controller and the County Treasurer-Tax Collector to make the Transfer to the District in accordance with the terms of the Ordinance; and

WHEREAS, this Agreement represents the agreement of the County and the District with respect to the Treasurer's authorization of the Transfer and its repayment by the District.

AGREEMENT

Section 1. **Transfer; Timing.** Upon receipt of the District's written request, the Treasurer will authorize such Transfer and the Auditor and Controller will transfer to the District, subject to review and approval, the amount requested within 30 days from the District's Transfer request, provided however, that in no event shall the total amount of all Transfers made in accordance with this Agreement exceed 85% of the remaining revenue type(s), shown below, accruing to the District through June 30, 20**(v ENTER THE FISCAL YEAR OF THE BORROWING)**, prorated as of the date of the written request.

<div align="center">

Revenue Type(s)
(vi CHECK REVENUE TYPE(S) BELOW)

</div>

_____   Property Taxes
_____   Principal Apportionment(s)
_____   Education Protection Account

The written request must contain the amount requested and documentation must be provided demonstrating that the amount requested is necessary to meet current maintenance expenses. Where indicated in the table below, such documentation shall include detailed cash flows for the applicable period that support maintenance expenses and anticipated revenues. Required supporting documentation by revenue type is also presented in the table below.

(Sample of Temporary Transfer Agreement)

TEMPORARY TRANSFER AGREEMENT
(i ENTER REVENUE TYPE(S))

	Documentation	
Revenue Type	**Description of Documentation Needed**	**Found in Exhibit**
Property Taxes	Not Needed. The necessary documents are compiled by the County of San Diego.	Not Applicable
Principal Apportionment(s)	Cash Flows	**(vii ENTER EXHIBIT LETTER HERE)**
	Verifiable State documents supporting State allocation(s) including deferred allocation(s).	**(vii ENTER EXHIBIT LETTER HERE)**
Education Protection Account	Cash Flows	**(vii ENTER EXHIBIT LETTER HERE)**
	Verifiable State documents supporting State allocation(s).	**(vii ENTER EXHIBIT LETTER HERE)**

The amount requested must be reviewed and approved by the County Auditor and Controller. An authorized Transfer may be made to the District in one or more installments.

No Transfer shall be made after **(viii ENTER THE DATE THAT REPRESENTS THE LAST MONDAY IN APRIL OF THE FISCAL YEAR OF THE BORROWING)**.

The Transfer will be made from and limited to the County of San Diego Investment Pool (Pool).

Section 2. **Deposit of Transfer.** Any Transfer made by the Treasurer to the District shall be deposited in the District's General Fund (Fund) for the purpose of lending funds to the District to meet its maintenance obligations.

Section 3. **Repayment; Interest.** Repayment of the funds is anticipated to be made from the revenue type(s) identified in Section 1, accruing to the District. However the District recognizes that the source of repayment may be from other revenues accruing to the District before any other obligation. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.

Upon receipt and deposit, the District agrees that the County may immediately transfer the cash from said revenues to the Pool's Fund for the purpose of repaying the "temporary transfer of funds" obligations.

Section 4. **District Covenant.** The District represents and covenants with the County that the District's anticipated revenue for fiscal year 20__-20__**(v ENTER THE FISCAL YEAR OF THE BORROWING)**, as documented in the attached exhibit referred to in Section 1, represents the District's best estimate of the remaining revenues. The County Auditor and Controller shall review and approve the District's anticipated revenue calculations included in these documents.

(Sample of Temporary Transfer Agreement)
TEMPORARY TRANSFER AGREEMENT
(i ENTER REVENUE TYPE(S))

Section 5. **Notices.** Any and all notices between the County and the District provided for or permitted under this Agreement or by law shall be in writing and shall be deemed duly given when personally delivered to one of the parties or in lieu of such personal service, when deposited in the United States mail, postage prepaid, addressed to such party at the following address:

If to the County:

Lauren Warrem, Chief Deputy Treasurer County of San Diego Treasurer-Tax Collector 1600 Pacific Highway, Room 101 San Diego, California 92101 619-531-5686 Lauren.Warrem@sdcounty.ca.gov	Brian Ruehle, Deputy Controller County of San Diego Auditor and Controller Department 5530 Overland Avenue, Suite 410 San Diego, California 92123 858-694-2199 Brian.Ruehle@sdcounty.ca.gov

If to the District:

(ix ENTER CONTACT INFORMATION)

Section 6. **Governing Law, Venue and Entire Agreement.** This Agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in San Diego, California.

This Agreement constitutes the entire agreement between the County and the District with respect to the Transfer and supersedes any previous agreement(s), negotiations, proposals or understanding, whether written or oral concerning such matter, unless expressly included in this Agreement.

Section 7. **Amendment or Modifications.** No amendment, modification or other alternation of this Agreement shall be valid unless in writing and signed by the parties.

TEMPORARY TRANSFER AGREEMENT
(i ENTER REVENUE TYPE(S))

Section 8. **Severability.** In the event that any provision of this agreement is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and such invalidity shall in no way affect, impair, or invalidate any other provision contained herein if there is no substantive effect to the services to be rendered to the County by such judicial finding of invalidity.

Section 9. **Counterparts.** This Agreement may be executed in any number of counterparts, each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

County of San Diego, California
Treasurer-Tax Collector

Date: _____   By: _____
                                     Chief Deputy Treasurer

APPROVED AS TO FORM AND LEGALITY
Thomas E. Montgomery, County Counsel

Date: _____   By: _____
                                      Senior Deputy

(iii ENTER NAME OF SCHOOL DISTRICT)

Date: _____   By: _____
                                 (x NAME OF AUTHORIZED OFFICIAL)
                                 (x TITLE)

(xi BLACK FONT CONTENT CANNOT BE CHANGED. IF ANY BLACK FONT CONTENT HAS BEEN CHANGED, THE DOCUMENT WILL BE INVALIDATED. ALL RED FONT INSTRUCTIONS-*INCLUDING THIS ONE*-MUST BE REMOVED FROM THIS DOCUMENT BEFORE IT WILL BE ACCEPTED.)

(Sample of Request for TTF)

REQUEST FOR TEMPORARY TRANSFER OF FUNDS
(California Constitution Article XVI Sec. 6)

To: County Auditor and Controller
         County Treasurer

From: **(i ENTER NAME OF DISTRICT)**

Request is made for temporary transfer of $ **(ii ENTER THE AMOUNT TO BORROW)** from funds in the custody of the County Treasurer which are certified to be necessary to provide funds for meeting the obligations incurred for maintenance purposes by the above named District for the **(iii ENTER THE FISCAL YEAR IN WHICH THE TTF WILL TAKE PLACE)** fiscal year pursuant to a resolution of the governing board of the District adopted on **(iv ENTER BOARD APPROVAL DATE)**, pursuant to California Constitution Article XVI, Section 6.

Funds needed by this date: (v ENTER DATE)

District contact person: **(vi ENTER CONTACT INFORMATION)**

Telephone number: **(vii ENTER CONTACT INFORMATION)**

I further certify that our District has no monies, including Tax & Revenue Anticipation Notes, invested or held outside of the San Diego Pooled Fund and we have exhausted our ability to borrow funds internally.

Dated: _____

_____
Authorized Signature and Title

AUDITOR'S NOTATION

Request received by County on:

	Property Taxes	%	Principal Apportionment	%	EPA	%	TOTAL
Board approved amount							
85% estimated revenues							
Amount available to be loaned (Lesser of Board or 85% amount)							
Previous amounts loaned		%		%		%	
This loan		%		%		%	
Total loans		%		%		%	
Balance available for future loans							

	Property Taxes		Principal Apportionment(s)		EPA(s)		TOTAL
Remaining property taxes receivable by June 30 (ACAP232A)	Apport #		Remaining principal apportionment(s) receivable		Remaining EPA(s) receivable		
	Dated						
Property Tax(es) loan(s) repaid to date			Principal Apportionment(s) loan(s) repaid to date		EPA(s) loan(s) repaid to date		
Property Tax(es) loan balance(s) outstanding			Principal Apportionment(s) loan balance(s) outstanding		EPA(s) loan balance(s) outstanding		

_____   _____
FAR Approval   Date

(Sample of Request for TTF)

REQUEST FOR TEMPORARY TRANSFER OF FUNDS
(California Constitution Article XVI Sec. 6)

Name of district: **(i ENTER NAME OF DISTRICT)**

Funds needed by: **(v ENTER DATE)**

Amount of loan: **(ii ENTER THE AMOUNT TO BORROW)**

CERTIFICATION OF COUNTY TREASURER

To: County Auditor and Controller

From: County Treasurer

☐   Funds are available for transfer to the above named District

☐   Funds are NOT available. Please notify the District.

** (Check only one box.) **

Dated: _____   _____
                                                      County Treasurer

Tax and Revenue Anticipated Notes (TRANs)

Tax Revenue Anticipation Notes (TRANs) are short-term, interest bearing notes issued by a government agency in anticipation of tax revenues that will be received at a later date. The notes are retired from the tax revenues to which they are related. Many local education agencies issue TRANs for cash flow management purposes every year. Districts within San Diego County have the option of joining a pooled TRANs issuance. If a district is interested in participating, they should contact Roxanna Travers, roxanna.travers@sdcoe.net or their Business Advisor.

TRANs
Frequently Asked Questions

What are TRANs?
TRANs are Tax and Revenue Anticipation Notes, also known as TANs (Tax Anticipation Notes) and RANs (Revenue Anticipation Notes).

Why are TRANs issued?
TRANs are issued by local governments to finance short-term cash flow deficits, which occur due to the irregular receipt of certain taxes and/or revenue and the ongoing requirement for regular disbursements of operating expenses.

What are the benefits of issuing TRANs?
There are two primary benefits of issuing TRANs. First, TRANs are an inexpensive method of financing short-term cash shortfalls. Second, TRANs usually produce additional income through arbitrage earnings.

What is arbitrage?
Arbitrage is a gain, which occurs when the cost of borrowing funds is lower than reinvestment earnings.

How do TRANs produce arbitrage earnings?
TRANs are issued at tax-exempt borrowing rates, which are typically one to two percentage points lower than available reinvestment rates.

Is it legal to earn arbitrage on TRANs?
Yes – Provided the TRANs are issued in accordance with federal tax regulations relating to the sizing and issuance of tax-exempt short-term notes.

How are TRANs issued?
TRANs are permitted under Government Code 53850 and are authorized when the governing body adopts a resolution. Most local governments engage a bond attorney to prepare documentation, and use the services of an investment professional for the placement or underwriting of the notes.

June 8, 2021

To: Business Managers
          TRANs Pool Participating Districts

From: Roxanna Travers
          Accounting and Data Support Specialist

Re: 2021-22 TRANs Chart of Account Numbers

Financial Accounting will process the 2021-22 TRANs and post the corresponding entries on the PeopleSoft Information System for your transactions.

Participating districts may want to use sub-account numbers to distinguish between the 2020-21 TRANs and the 2021-22 TRANs.

We request that districts complete the following sub-account information and e-mail it to Financial Accounting at finacct@sdcoe.net, Attention: Maria Soto, by **Monday, July 6, 2021**.

Please post the 2021-22 TRANs transactions to the following accounts:

District Name

	FUND	RESOURCE	GOAL	FUNCTION	OBJECT	SITE
Cash with Trustee	0100	0000000			9135 _ _ _	
TRANs Payable	0100	0000000			9641 _ _ _	
TRANs Interest Earned	0100	0000000	0000	0000	8660 _ _ _	000
TRANs Expense	0100	0000000	0000	9100	5800 _ _ _	000

(Expense includes Underwriter's Discount, Issuance Cost, Credit Enhancement, and Interest Expense.)

PLEASE SET UP THE ABOVE ACCOUNT NUMBERS ON PEOPLESOFT.

Accounting for TRANS

Entry to post TRANs issuance:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash at Treasury	0100	0000		9110	$XXX	
Underwriter's Discount	0100	0000	9100	5800	$XXX	
Cost of Issuance (COI)	0100	0000	9100	5800	$XXX	
Premium	0100	0000	0000	8660		$XXX
Principal	0100	0000		9641		$XXX

Some issues are structure to have any excess at the time of funding to be set aside in an early repayment account:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash with Trustee	0100	0000		9135	$XXX	

Entry to post at time of debt service payment set aside:

Account	Fund	Resource	Function	Object	Debit	Credit
Cash with Trustee	0100	0000		9135	$XXX	
Cash at Treasury	0100	0000		9110		$XXX

Entry to post at time of repayment:

Account	Fund	Resource	Function	Object	Debit	Credit
Interest Expense	0100	0000	9100	5800	$XXX	
Principal	0100	0000		9641	$XXX	
Cash with Trustee	0100	0000		9135		$XXX

Some issues are structure to have any excess at the time of funding to be credited to the COI account:

Account	Fund	Resource	Function	Object	Debit	Credit
COI	0100	0000	9100	5800		$XXX

Note: Refer to the California School Accounting Manual, Procedure 715

SACS FINANCIAL REPORTING SOFWARE

Includes sections from SACS Software User Guide. A section on the most common TRC's and how to clear these. Last, Instructions on clearing fund 51 TRC at Budget, if you manually enter data in the SACS software.

Additional resource: SACS2021 Software - Known Problems/Fixes

https://www.cde.ca.gov/fg/sf/fr/sacs2021allprobfix.asp

Standardized Account Code Structure (SACS)

Financial Reporting Software
SACS2021

Software User Guide

2021–22 Budget and Interim Reports
2020–21 Unaudited Actuals

SACS Software User Guide

Introduction – **continued**

WHAT'S NEW

Listed below is a summary of changes made to the 2021–22 budget and interim, and the 2020–21 unaudited actual, components of the SACS software. We incorporate changes requested by users wherever possible; you may recognize one of your suggestions being implemented here.

This year our efforts were primarily focused on required changes (e.g., those due to Governmental Accounting Standards Board Statement 87 [GASB 87]). For additional information on each of the changes, refer to the relevant sections of this user guide.

Revised Fund Forms

- **Form 01/01I**—Other Local Revenue Section.
  Made the following changes to the Object 8697 line, Pass-Through Revenues From Local Sources, effective 2021–22:
  - For Budget and UA periods: Unshaded the Unrestricted cells in the Estimated/Unaudited Actuals and Budget columns.
  - For Interims: Unshaded all columns within the Unrestricted Worksheet
- **Form 01I**—Federal Revenue Section.
  Removed the following obsolete resource codes from the Other NCLB / Every Student Succeeds Act, Object 8290, detail line: 3020, 3041, 3177, 3181, 3185, 4050, and 5510; and moved these seven resources to the All Other Federal Revenue, All Other Object 8290 line.
- **Forms 01/01I, 08/08I, 09/09I, 11/11I, 12/12I, 13/13I, 14/14I, 15/15I, 18/18I, 21/21I, 25/25I, 30/30I, 35/35I, 40/40I, and 49/49I**—Capital Outlay Section.
  Added a new line, Lease Assets, Object 6600, effective 2021–22, due to GASB 87. Budget and UA periods: Shaded the actuals column in the new line.
- **Form 08/08I**—Other Sources/Uses Section.
  Added a new line, Proceeds from Leases, Object 8972, effective 2021–22, due to GASB 87. Budget and UA periods: Shaded the actuals column in the new line.
- **Forms 01/01I, 09/09I, 11/11I, 12/12I, 13/13I, 14/14I, 15/15I, 18/18I, 21/21I, 25/25I, 30/30I, 35/35I, 40/40I, and 49/49I**—Other Sources/Uses Section.
  Renamed the line for Object 8972 from "Proceeds from Capital Leases" to "Proceeds from Leases," effective 2021–22, due to GASB 87.
- **Forms 61/61I, 62/62I, 63/63I, 66/66I, 67/67I, and 73/73I**—Expenses Summary Section.
  Renamed the line for Object 6000-6999 from "Depreciation" to "Depreciation and Amortization."

- **Forms 61/61I, 62/62I, 63/63I, 66/66I, 67/67I, and 73/73I**—Depreciation Section.
  - o Renamed the section title from "Depreciation" to "Depreciation and Amortization."
  - o Added a new line, Amortization Expense-Lease Assets, Object 6910, effective 2021–22, due to GASB 87. Budget and UA periods: Shaded the actuals column in the new line.
- **Forms 09I and 62I**—Federal Revenue Section.
  Removed the following obsolete resource codes from the Other NCLB / Every Student Succeeds Act, Object 8290, detail line: 3020, 3041, 3181, 3185, and 5510; and moved these five resources to the All Other Federal Revenue, All Other Object 8290 line.
- **Forms 09 and 62**—Other State Revenue Section.
  Removed the detail line for Resource 7400, Quality Education Investment Act / Object 8590, All Other State Revenue, and moved Resource 7400 to the "All Other" Object 8590 line. Budget and Unaudited Actuals periods only.

Revised Supplemental Forms

Form CEA/CEB—Current Expense Formula/Minimum Classroom Compensation
Part I, Current Expense Formula; and
Part II, Minimum Classroom Compensation
- Added the following resource codes to the reductions in Column 4a and Line 13a: Resource 5316, Child Nutrition: COVID CARES Act Supplemental Meal Reimbursement; Resource 7027, Child Nutrition: COVID State Supplemental Meal Reimbursement; Resource 7121, Distance Learning California Advanced Services Fund.
- Removed the following obsolete resource code from the reductions in Column 4a and Line 13a: Resource 6382, California Career Pathways Trust.

Form MYP/MYPI—Multiyear Projections
- Added new Resource 6546 to the Special education pass-through funds *(Line F1b2)* and modified calculations for Budget column accordingly, effective 2021–22.

Form SEA—Special Education Revenue Allocations
Section I, Total SELPA Revenues
- Deleted Line I.B, COLA Apportionment.
- Deleted Line I.C, Growth Apportionment or Declining ADA Adjustment.
- Deleted Line I.D, Subtotal.

SACS Software User Guide

Introduction – continued

- Renumbered remaining lines and modified calculations accordingly.

Revised Criteria and Standards

Form 01CS/01CSI—Criteria and Standards Review—Budget and Interim periods
- Districts only – Budget/Interims – Criterion 7 – Facilities Maintenance
  Per Senate Bill 98 (Chapter 24, Statutes of 2020) and Senate Bill 820 (Chapter 110, Statutes of 2020), resources 3210, 3215, 3220, 5316, 7027, 7420, and 7690 are excluded from the three percent of total general fund expenditures and other financing uses calculation.
- District – Budget only – Criterion 7 – Facilities Maintenance
  District – Budget only – Criterion 8 – Deficit Spending
  District – Budget/Interims – Criterion 10 – Reserve
  COE – Budget/Interims – Criterion 6 – Deficit Spending
  COE – Budget only – Criterion 7 – Fund Balance
  Added Resource 6546 in Fund 10 for school districts designated as the administrative unit of a Special Education Local Plan Area (SELPA), and that choose to exclude the special education pass-through revenues, the total expenditures and other financing uses will be automatically adjusted to exclude the distribution of revenues that are passed through to participating members of the SELPA. The excluded distribution of revenues will reflect Fund 10, objects 7211–7213 and 7221–7223, resources 3300–3499, 6500–6540 and 6546.
- COE/District – Budget/Interims – S5 – Contributions
  Projected contributions (Fund 01, Resources 0000–1999, Object 8980) from unrestricted general fund programs to restricted general fund programs must be manually entered for the two subsequent fiscal years. Previously the data was extracted from Form MYP Unrestricted worksheet, if Form MYP exists. For the first prior and budget years, the projected contributions will continue to be automatically extracted from general ledger data.

Revised Reports

Reports SEMA/SEMB/SEMAI—Special Education Maintenance of Effort (MOE)
- SEMA, LEA Actual (LE-CY) worksheet
  SEMB, LEA Actual (LE-B) worksheet
  SEMAI, LEA Actual (LA-I) worksheet
  - Removed columns "Spec. Education, Ages 5–22, Severely Disabled (Goal 5750)" and "Spec. Education, Ages 5–22, Nonseverely Disabled (Goal

5770),” and replaced with a new column “Spec. Education, Ages 5–22 (Goal 5760).” Goals 5750 and 5770 consolidated into new Goal 5760, Special Education, Ages 5–22, effective 2020–21.

- SEMB, LEA Budget (LB-B) worksheet
  SEMAI, LEA Projected (LP-I) worksheet
  - o Modified data extraction by excluding Object 6600, Lease Assets, and Object 6910, Amortization Expense–Lease Assets, from the Capital Outlay Expenditure line(s) with the object range of 6600–6999. Objects 6600 and 6910 are established in accordance to GASB 87, Leases, in order to allow LEAs to account for intangible right-to-use assets under lease contracts effective 2021–22. These intangible right-to-use assets under lease contracts are not considered as capital assets per federal regulation definition of capital assets.
  - o For clarification, added the word “(except Object 6600 & Object 6910)” to the Capital Outlay Expenditure line(s).
- SEMB, SELPA Budget (SB-B) worksheet
  SEMAI, SELPA Projected (SP-I) worksheet
  - o For clarification, added the word “(except Object 6600 & Object 6910)” to the Capital Outlay Expenditure line(s).

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Printing

PRINTING INDIVIDUAL FORMS

Normal Printing
To print any of the forms or the TRC report individually, open the desired form or run the type of TRC you wish to print then click on the Print button at the bottom of the window, or select the File menu option from the Main Menu and then choose Print.

To print a form without opening it, click on the form name in the menu list to highlight it, then right-click on the form name, and then click on Print Form. A window will display where print options can be defined. (Be aware that the form is still loading in the background so, depending on the form being printed, it may take a while for the Print window to appear.)

Printing Blank Forms
Five Blank LEA codes exist from which blank forms can be printed:

    00-00001-0000000, Blank County Form
    00-00001-0000001, Blank County Charter School Form
    00-00002-0000000, Blank District Form
    00-00002-0000002, Blank District Charter School Form
    00-00003-0000000, Blank JPA Form

To print blank forms, select the applicable Blank LEA from the Preferences list, then open the Table of Contents from the Forms menu. Highlight the form(s) you wish to print, and click on Print Selected Forms. A window will display where print options can be defined. (Be aware that the form is still loading in the background so, depending on the form being printed, it may take a while for the Print window to appear.)

NOTE: **Forms printed from the Blank LEAs may contain zeros where extractions or calculations normally take place.**

PRINTING MULTIPLE FORMS

From the Table of Contents (including blank forms using a Blank LEA)
To print multiple forms, open the Table of Contents, which is accessible through the Forms menu. The Table of Contents window displays two Print buttons:

- **Print Table of Contents**—Prints the Table of Contents form only.
- **Print Selected Forms**—Prints user-selected forms and any data each of those forms may contain. To select multiple forms, hold down the Ctrl key and click on

SACS Software User Guide

Printing – continued

the form numbers. NOTE: When a Blank LEA is set in preferences, this button will print all selected blank forms. (See Printing Blank Forms on page 33 for details.)

Be aware that each form is loading in the background before it is printed. If the printing is canceled, the Cancel button must be pressed for each file originally sent to print.

NOTE: The TRC cannot be printed from the Table of Contents.

From the Forms Menu
To print multiple forms from the Forms menus without opening the forms, open the applicable Forms menu (i.e., Funds, Supplementals, etc.), then select the forms to print by holding down the ⌨Ctrl key and clicking on the form titles. After all desired forms have been selected, right-click on one of the selected forms, then click on Print Form. Be aware that each form is loading in the background before it is printed. If the printing is canceled, the Cancel button must be pressed for each file originally sent to print.

PRINTING OPTIONS

✓ **Print Range Option**
The Print Range options within the Print window may be used to print specific pages; the default is to print all pages. To print specific pages, enter the beginning and ending page numbers, then click OK.

✓ **Printing Orientation**
The orientation (portrait or landscape) for each form within the software defaults to the most appropriate for the form. The option to choose a different print orientation is available; however, whether or not it works is dependent on the user's computer system setup and printer driver. Unfortunately, we have little control over printing in the software. Instead, the printing is controlled by Microsoft Windows, and a third party software used for the forms and reports. We continue to work on printing issues as time permits.

Because the General Fund*[County School Service Fund]* form (Form 01) prints portrait with very small font, we provide a mechanism for printing it landscape. When printing Form 01, a message box will display the options of printing portrait or landscape. Changing the orientation to landscape will increase the font size, making the form easier to read.

SACS Software User Guide

Printing – continued

CAUTION: **Changing the print orientation may alter the form format and/or page breaks, as well as increase or decrease the number of pages.**

PROBLEMS PRINTING FORMS/REPORTS

The SACS software uses Microsoft Windows printer drivers. If you experience printing problems, check to make sure you have the latest printer drivers by contacting the printer manufacturer. If you are experiencing printing problems on a local area network, contact your network administrator.

For printing problems where borders or lines are missing or not properly aligned, please see Question 22 (page 265) and Question 23 (page 265) of Attachment B.

Known Printing Issues Relating to Windows 7/8/10
After the SACS software was modified to mitigate the worst of its incompatibilities with Windows 7, many software testers encountered a remaining printing problem where a fund form, supplemental form, or report is sent to the printer, and the SACS software print status window freezes. (This is not an issue when printing the TRC, the import log, or from the User Data Input/Review screen.)

Workaround: Anticipating this problem for all Windows 7/8/10 users, CDE's **workaround is to print first to Microsoft XPS Document Writer** or Adobe PDF, **then send the document to the printer.** For Adobe PDF printing problems where no "Save PDF File As" prompt appears, see Question 20 (page 264) of Attachment B. For Adobe PDF printing problems where the "Save PDF File As" prompt appears, but the SACS software print status window freezes and nothing saves, see Question 21 (page 265) of Attachment B.

Possible Fix: After extensive testing within CDE's test environment, we are able to send forms and reports directly to printers by using the following print drivers (which are specific to our model printers), and by changing a particular printer setting specifically for HP printers. The CDE does not advocate the purchase or use of any specific printer brand or model and provides this information only as a basis for LEAs to test with different print drivers and/or settings if desired.

- For Samsung printers: Samsung Universal Print Driver 2 PS
- For HP printers: HP Universal Printing PS or HP Universal Printing PCL 6 print drivers

Printing – continued

- Additional printer settings required for some HP printers:
  - Notes:
    - For some users, these printer settings must be changed outside of the SACS Software (e.g., changed through the Control Panel) or else the printer settings are lost each time the SACS Software is closed.
    - Some users need to reset these printer settings each time they install the SACS software.
    - Some users need to intermittently change these printer settings within the SACS software (i.e., changed through the print prompt) as well.
  - Specific steps CDE uses for HP printer settings:
    - Open SACS software form
    - File menu, Print… option
    - Properties [button]
    - Effects [tab]
    - Click on the radial button "Print document on:"
    - Then it should default to "Letter" right underneath it.
    - It should also add a checkmark next to "Scale to fit"
    - Click OK
    - Then OK to print

SACS Software User Guide

Tips for Using the SACS Software

Following are guidelines to help you understand how data is contained and checked in the SACS software, and to assist you in moving about quickly and efficiently:

✓ **Database Versus Form**
The SACS software is DATA based rather than FORM based. This means that the data is stored in one large database rather than in each individual form. As such, the application extracts the data from the database each time a form is opened. When data is changed either by import or manual input, each form that uses that data will automatically reflect the change the next time the form is accessed.

✓ **Form Dependencies in the Technical Review Checklist**
Those forms that contain general ledger data or supplemental data from another form must be re-extracted (opened and saved) any time relevant general ledger or supplemental data is changed. There is a technical review check to identify such occurrences. See Attachment F for a list of the form dependencies.

✓ **Automatic Form Tracking**
The SACS software automatically displays the available forms based upon the current LEA and reporting period (defined in the Preferences screen). For example, for a JPA, only those forms applicable to a JPA, based upon the reporting period, are available. See Attachment A for a complete list of forms.

✓ **Changes to Data**
In the SACS software, data is tracked as one of three types:

- **Imported**—Data imported from LEA's accounting system. Once imported, general ledger data cannot be manually changed within the SACS software. Changes to imported data must be made in the source system and reimported into the software.

  EXCEPTIONS: Components of ending fund balance/net position data can be added or modified through the Components of Ending Fund Balance/Net Position screen. (For further information see page 53.) In addition, in the interim periods, imported Projected Year Totals general ledger data may be modified in the User Data Input/Review screen. (For further information see page 49.)

- **Calculated**—Calculations made during import, upon closing the User Data Input screen, within the Components of Ending Fund Balance/Net

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Tips for Using the SACS Software – continued

       Position, and within the forms. Calculated data cannot be modified directly; instead, the source data used in the calculations must be changed.

- **Entered**—General ledger or supplemental data keyed by the user. Entered data may be changed at any time. Any calculations dependent on entered data will automatically be changed when affected forms are opened and saved.

✓ **No +/- Signs for Normal Balances**
Values with normal balances do not display plus or minus signs. When a value is opposite of what is expected, it is displayed within parentheses. Exception: The accumulated depreciation contra-asset accounts (objects 9425, 9435, and 9445) are reported as debit accounts with their credit balances displayed as negatives. Please refer to the 2019 edition of the *CSAM*, Appendix B, for more information.

✓ **Move by Row**
To move down vertically within a form, use the Enter key. The cursor will move down the page to the next entry field, bypassing any extracted, calculated, or locked fields. **Exception: The Enter key is disabled in forms 01CS/01CSI.** The arrow keys move the cursor to the next or previous field regardless of the field type or whether data entry is allowed.

✓ **Move by Column**
To move across horizontally within a form, use the Tab key to move to the right and [Shift] [Tab] to move to the left. The cursor will move across the page to the next entry field, bypassing any extracted, calculated, or locked fields. The arrow keys will move the cursor to the next or previous field regardless of the field type.

✓ **Locked Fields**
If data entry is attempted in a field that does not allow it, a "Locked cells cannot be modified" message will be displayed. In those entry cells that are two rows tall, simply move your cursor down to the next row to enter data.

✓ **Selecting From a List**
In certain windows you may have a list of data choices (Data Sets, for example). To choose several individual items in a list, press and hold the Ctrl

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Tips for Using the SACS Software – continued

key and click on each item. To select all items in a list, click on the first item then press and hold the Shift key and click on the last item.

✓ **Clear Cell Value—Entered Values**
To clear an entered value, select the cell, and press the Delete key on your keyboard. You may only clear values that have been entered.

NOTE: Do not use the space bar to delete entries; it will cause problems in the database and errors in the TRC.

✓ **Clear Cell Value—Extracted Values**
To clear a cell where its value is extracted but can be overwritten (e.g., the CASH and 01CS forms), you must enter a zero in the cell. If extracted cells are cleared by pressing the Delete key rather than entering zero, the original value may be re-extracted when the form is opened, overwriting the deletions every time the form is reopened.

✓ **Entering Cents; Rounding Cents**
All dollar values display in the SACS software with two decimal places; whole numbers will automatically have .00 added to them. Numbers that have been rounded to the nearest dollar may be imported into the software, but the data must still pass all the technical review checks, most of which have a $10 rounding allowance.

NOTE: If importing rounded numbers, please ensure the numbers were actually rounded and not simply truncated.

✓ **Editing Text Boxes**
Some forms (e.g., CHG and 01CS/01CSI) contain text boxes for explanations or descriptions. You may edit existing text, or add new text, by clicking on a selected box and then pressing the F2 key twice. A Cell Text box will open and you may begin editing. When you have finished, click OK and your text will be added to the form.

✓ **Multiple Windows**
Multiple windows (i.e., multiple supplemental forms) may be opened simultaneously within the SACS software. However, we suggest you limit the number of open windows since an excessive number of open windows may cause the computer to run out of physical/virtual memory, causing the application to error and close down. In addition, changes made to one form

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Tips for Using the SACS Software – continued

may affect another open form, in which case the open form will not be updated until closed and reopened.

To view the list of open windows within the SACS software, select the Window menu option from the Main Menu. At the bottom of the resulting menu, you will see the list of open windows. The checkmark indicates the current window.

✓ **View Sizing**
Forms may be sized on the screen according to your individual viewing preference by adjusting the view mechanism at the top of each form. To adjust the view, either click the mouse to the point you would like the view sizer to move, or drag the view sizer to the preferred size. After clicking on the view sizer, the arrow keys on the keyboard may also be used to adjust the view size.

INTERNAL FORM CHECKS

Internal form checks (IFCs), similar to technical review checks (TRCs), are used to check for accuracy, completeness, and validity of the data, but IFCs are done within the forms rather than outside of the forms like the TRCs. Unlike TRCs, IFCs are not visible unless there is a condition that triggers the IFC. In most cases, when an IFC condition exists, text will display in red on the screen and on the printed form identifying the area in the form that needs attention, and an exception will occur upon running the Export TRC.

NOTE: Forms can be closed with outstanding IFC conditions, giving the user the opportunity to research and correct the problems.

Upon exiting a form with an IFC condition, a message box will display with details about the condition. That message box will also indicate whether the resulting TRC exception will be warning or fatal. The warning TRC is CHK-UNBALANCED-A, for which the condition should be corrected in the form or, if the data is correct, the TRC exception must be explained. The fatal TRC is CHK-UNBALANCED-B, for which the condition must be corrected in the form in order to clear the TRC and to complete an official export of the data.

The following table lists the forms that contain internal form checks and the TRCs within which the IFC exceptions will display. Note that some forms have both warning and fatal checks and can therefore appear within both TRCs.

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Tips for Using the SACS Software – continued

CHK-UNBALANCED-A (Warning)	CHK-UNBALANCED-B (Fatal)
Form CASH	Forms 01CS/01CSI
Form CEA	Form CEA
Form CEB	Form CEB
Form GANN	Form DEBT
Form L	Form ESMOE
Forms MYP/MYPI/MYPIO	Form GANN
Form SEA	Form ICR
Reports SEMA/SEMB/SEMAI	Form L
	Forms MYP/MYPI/MYPIO
	Reports SEMA/SEMB/SEMAI

IFCs are also used in form SEAS, and government-wide reports CNVRT, ENTRY, and GSNP; however, they are informational only and do not generate either of the above TRC exceptions.

PITFALLS TO AVOID

This information will help you avoid the most commonly encountered problems.

✓ **Memory Usage**
The SACS software may run more quickly with few or no other software applications open at the same time.

✓ **Printing Forms/Reports**
The SACS software uses Microsoft Windows printer drivers. If you experience printing problems, check to make sure you have the latest printer drivers by contacting the printer manufacturer. If you are experiencing printing problems on a local area network, contact your network administrator.

For printing problems where it appears the printing screen is frozen, please see Question 18 (page 264) of Attachment B.

For printing problems where borders or lines are missing or not properly aligned, please see Question 22 (page 265) and Question 23 (page 265) of Attachment B.

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Technical Review Checklist

Part of the financial reporting process requires a technical review of your data, including verification that entries exist, agree, and are consistent across all funds and forms. These checks are called the Technical Review Checklist (TRC) and are done from the TRC option on the Main Menu (or from the Close and Go To Technical Review button on the Import screen). While a complete TRC may be run at any time, it is best to complete it in stages since different sections of the TRC are dependent on different data being available. For additional information, see Data Processing Sequence beginning on page 16.

RUNNING THE TRC

Your data will be checked according to state-defined specifications. After the technical review checks have run, a "Checks Completed" message will display at the bottom of the screen.

Types of Technical Review Checks
Following is a chart of the various types of checks and related requirements:

F Fatal (Data must be corrected; an explanation is not allowed.)
W/WC Warning/Warning with Calculation (If data is not correct, correct the data; if data is correct, an explanation is required.)
O Informational (If data is not correct, correct the data; if data is correct, an explanation is optional, but encouraged.)

All TRC exceptions should be looked at closely. As indicated above, fatal exceptions must be corrected; warning exceptions must be corrected or, if the data is correct, must be explained; and informational exceptions should be corrected or, if the data is correct, an explanation is optional, but encouraged.

Display Technical Review Checks
Choose to display on the screen the results of either all technical review checks or only those checks that have exceptions, including explained exceptions. The default is to display all technical review checks.

Type of Data
Choose the type of data to be run through the technical review check process (e.g., either Budget or Estimated Actuals for the budget period); the technical review checks must be run separately for each type of data. The technical review checks applied to the data are based on the current LEA and Reporting Period defined in the Preferences screen (also displayed in the screen title bar).

Instructions apply to all LEAs; differences applicable
to county offices of education (COEs) are indicated by *italics*

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Technical Review Checklist – continued

Phase of Technical Review Checks
Choose the phase of technical review checks to be run:

- All—Import, General Ledger, Supplemental, and Export checks will run.
- Import—Checks for valid accounts and balances.
- General Ledger—Checks for interfund, intrafund, and various other types of account balancing.
- Supplemental—Checks for completion of appropriate forms and validates supplemental and general ledger data.
- Export Validation—Verifies form requirements and dependencies. See Attachment F for a list of form dependencies.

NOTE: Charter School Technical Review Checks

For charter schools, all of the Import and General Ledger checks are available to validate general ledger data, using both the county and district account codes and combinations. Applicable Supplemental and Export checks are available as well.

Start Technical Review Checks
Once the Display, Type of Data, and Phase have been selected, click on the Start button located near the bottom of the screen.

NOTE: If you receive Error #13 while running the TRC, please see Question 12 of Attachment B (page 262).

Stop Technical Review Checks
If you need to terminate the technical review checks while the process is running, click on the Stop button located next to the Start button. After clicking on the Stop button, the process may appear to stall while it finishes the check being run. When the technical review checks are started again, they will start from the beginning.

Print Technical Review Checks
You may wish to print the results of the technical review checks (TRCs) when investigating or correcting exceptions, and for documentation purposes. Clicking on the Print button will print the entire TRC as it is displayed on the screen. To print only a certain section of the TRC, first run the TRC, then use your cursor to highlight the section, then click on the Print button. **The technical review checks must be run and displayed on the screen in order to be printed.**

Instructions apply to all LEAs; differences applicable
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<u>Explanations for Valid Technical Review Exceptions</u>
Click on the Explanations button near the bottom of the TRC screen (or enter through the TRC menu option) for a summary of the TRC results and to enter explanations for valid exceptions. Saved explanations will display on the screen and on the printed report beneath the applicable check the next time the TRC is run.

TRC EXPLANATIONS

The TRC Explanations screen is used to review the TRC status and for keying narratives for valid TRC exceptions. It is accessed by clicking the Explanations button on the TRC screen or by choosing Explanations from the TRC option on the Main Menu.

The first step in clearing an exception is to determine if the check is applicable to your agency. If so, and if the data has been verified as correct, provide an explanation of the details supporting the exception. Please be specific; do not include general explanations such as "Will be fixed next year," "OK," or "Don't know." While the checks have been written as detailed as possible, if an item does not apply to your LEA, it is acceptable to provide brief explanations (e.g., N/A-xyz is not necessary in our LEA because we do not have this program). Your explanations will provide the reviewer of your report the information necessary to complete the review.

If an exception has been explained, but then subsequently corrected, the TRC will automatically delete the explanation when the TRC is run again.

> **CAUTION:** TRC Fatal (F) exceptions that have not been corrected, and TRC Warning exceptions (W/WC) that have not been corrected or explained, will prevent the software from doing an Official export (see Exporting Data—Official on page 187). Fatal exceptions must be corrected; warning exceptions must be corrected or, if the data is correct, must be explained.

<u>Understanding the Explanations Screen</u>
- Display—Select to display All Tech(nical) Checks or only Unexplained Checks. When the Unexplained Checks option is selected, only those exceptions where an explanation is either required or optional will be displayed; (F)atal, (P)assed, and (E)xplained exceptions do not display in the unexplained exceptions list.

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Technical Review Checklist – continued

- Type of Data—Select the type of data you want to review or explain.

- Details of Checks:

  ✓ SEQNUM—The sequence number is used internally by the software to determine the order in which the checks run and display.

  ✓ TRCID—The TRCID is an abbreviated name used to identify each unique technical review check.

  ✓ CHECK TYPE—The check type (see page 181 for a list of the check types) categorizes the severity of the check and is directly associated with the check itself; it is not dependent on the LEA's data. The check type does not change and is not an indication of whether or not the check has passed.

  ✓ STATUS—The status field indicates the current status of the check and is directly dependent on the LEA's data or explanations. When a (F)atal or (W)arning check fails, the check type indicator also displays as the status until it is corrected or explained. All checks must contain a status of (P)assed or (E)xplained before Official export can occur. Inf(O)rmational checks are automatically assigned a status of (P)assed.

    P   Passed—No exception exists, it's an Informational check that automatically passed, or an exception has been corrected.
    E   Explained—An explanation has been provided for a non-fatal exception. **Explanations should not be entered for incorrect data. Incorrect data must be corrected.**
    M   Material (WC type checks only)—The "difference" amount exceeds ½ of one percent of the total General Fund*[County School Service Fund]* expenditures and other financing uses (must be corrected or explained).
    I   Immaterial (WC type checks only)—The "difference" amount is less than ½ of one percent of the total General Fund*[County School Service Fund]* expenditures and other financing uses (must be corrected or explained).

  ✓ KEY1, KEY2, KEY3—The key fields provide information that, when combined with the TRCID, may help users identify the accounting information to be reviewed.

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Technical Review Checklist – continued

- Selected Technical Check—Upon selecting one of the technical review checks, this box displays narrative describing the technical review check exception, if the check has not passed.

- Enter Explanation for Technical Check—Upon selecting an exception where an explanation is either required or optional, this box will turn white and allow input. Explanations are not allowed for (F)atal or (P)assed checks, therefore this box will be disabled (gray) for those types of checks. To enter an explanation, click in this box and begin typing. Upon completion, click on Save; the status will immediately change to E for explained. Click on the next exception you want to explain and follow the same procedures. Saved explanations will display on the screen and on the printed report beneath the applicable check the next time the TRC is run.

Save Technical Review Explanations
Use the Save button to save explanations as they are entered. Explanations will also be saved automatically when clicking on another check, exiting the explanation box, or clicking on the Close button to exit the screen.

Print Technical Review Explanations
Use the Print button to print the currently displayed explanation (if any).

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Attachment B—SACS Software Questions and Answers

This section addresses some of the recurring questions we receive along with possible solutions, in the event that you encounter similar situations. If additional assistance is needed, districts and JPAs should contact their county office; charter schools should contact their authorizing agency; and county offices may email or call our office for assistance. CDE staff is available weekdays between 8:00 a.m. and 5:00 p.m. If your call transfers to voicemail, please be sure to leave a detailed message describing your problem, including the type of computer and printer you have, and what functions you were doing prior to the problem, if applicable.

<div style="border:1px solid black; text-align:center;">

SACS Reporting Software Assistance:
California Department of Education
School Fiscal Services Division
Office of Financial Accountability and Information Services
916-322-1770
sacsinfo@cde.ca.gov

</div>

NOTE: **In the interest of readability, it is assumed in the following text that the SACS software is installed in the directory "C:\SACS2021".** If you are using a directory other than this (which is the default), substitute your own selections in place of the references that follow.

Operating System

Question 1: **Is there a version of the software for the MAC?**

Response: The SACS software is designed to operate only on an IBM compatible computer; there are no current plans to write a Macintosh version, including for use on Macintosh machines with PC cards.

While in the Program . . .

Question 2: **While working in the program, I get an error message.**

Response: Try re-starting the program and attempt to duplicate the problem. If the SACS program is not responding (locked up) hold the `Ctrl` and `Alt` keys down, then press the `Del` key, select Task Manager,

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Attachment B – continued
SACS Software Questions and Answers

click on SACS2021.exe, select End Task, then restart the SACS software application. If the problem still occurs,record the error code description and the steps that lead to the problem, then contact your county office or call our help line 916-322-1770.

Question 3: **Right after installing the software, I am unable to import, export, or run the TRC because the File→Import, File→Export, and TRC→Technical Review menu options are disabled.**

Response: Some Windows 7/8/10 users have encountered this problem, and applying one or more of the following solutions has been effective:
- Ensure that the software was installed correctly using the steps outlined in
- Register the RICHTX32.OCX file. This should be done by information technology staff only.
- Change the SACS software to run in compatibility mode using Windows XP (Service Pack 3). To do this, right-click on the SACS2021 desktop icon; select **Properties;** select the **Compatibility** tab; if not already active, click on the **Run this program in compatibility mode:** check box; when the drop down menu activates, select **Windows XP (Service Pack 3)**; press the **Apply** button and then **OK.**

Question 4: **I'm trying to import my data file, but I get the error message "Run-Time error '429': ActiveX component can't create object," then the software closes.**

Response: If the run-time error displays while you are trying to import data, first try running a repair of the software by running the SACS software installation file, selecting Next, selecting Repair, selecting Next, Install, Finish. If the repair does not clear the problem, then you must uninstall and re-install the software. IMPORTANT: Uninstalling and/or re-installing the SACS software will delete any data you've imported or key entered into the software. If you wish to save the data, you must export the data before you uninstall the software, then re-install the software, and import your data into the newly installed software.

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Question 5:   **When I try to open forms, I get the error message "Error Opening . . . File C:\SACS2021\[form].vts could not be opened. File may be in use or non-existent." How do I fix this?**

Response: The template path needs to be reset. To do this, go to the Setup option of the Main Menu and select Preferences . . . →System[tab]. The top line reads "Location of template (*.vts) files." The path underneath it must be C:\SACS2021\Templates (for software installed with default settings). Use the very top change button to reset the path, then save. You should now be able to open the forms.

Question 6:   **I opened the CASH form (Cashflow Worksheet), used the Delete key to clear extracted data from some of the cells that could be overwritten, then saved and closed the form. When I re-open the CASH form, the cells I cleared now show the extracted data again. How do I get these to clear?**

Response: To clear a cell where its value is extracted but can be overwritten, you must enter a zero. If extracted cells are cleared by pressing the Delete key rather than entering zero, the original value may be re-extracted when the form is reopened—overwriting the deletion every time the form is reopened.

Question 7:   **In the criteria and standards Form 01CS, there are cells that should be extracting from other forms (from Form 01, *Form A*, etc.), but no amounts are pulling through. The numbers display fine in the source forms, for example Form 01. Why aren't the amounts pulling into Form 01CS?**

Response: In order for the extracted amounts to pull into Form 01CS, all of the "source" forms must be opened, <u>**saved**</u>, and closed prior to opening Form 01CS. Also see <u>Question 8</u> of this section.

Instructions apply to all LEAs; differences applicable
to county offices of education (COEs) are indicated by *italics*

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Question 8: **Not all of my Fund 01 data is pulling into the Criteria and Standards Review form (Form 01CS). Why don't they all extract? Also, when I change my Fund 01 general ledger data, Form 01CS is not reflecting all of my Fund 01 updates. Why not?**

Response: Form 01 must be opened and **<u>saved</u>** prior to opening Form 01CS. While some of the Fund 01 data in Form 01CS pulls directly from Fund 01 general ledger data, other Fund 01 data in Form 01CS pulls from amounts created when Form 01 itself is **<u>saved.</u>** This is why it is necessary to open and save Form 01 each time Fund 01 general ledger data is imported.

Question 9: **While trying to load the software, or open a form, I get prompted for my username and password.**

Response: This problem is related to low memory. Make sure when you install and run the SACS software that no other programs are running.

Question 10: **When I double-click on an input field in the interim attendance form (Form AI), a spreadsheet formula appears. Pressing Enter then gives me an "Invalid Formula Syntax" error.**

Response: This happens in the interim forms only because of their ability to pull data from one interim period to the next. It is best not to double-click on any of the interim form input fields. Doing so will not affect the form you have double-clicked in, but may affect the subsequent period form. For example, double-clicking on a field in the 1st Interim AI form and changing the formula displayed, will not affect what is entered into the field on the open form, but may affect the way that value is displayed on the 2nd Interim AI form. If you do double-click on an interim form input field resulting in displaying the formula and/or an error message, press Escape to exit.

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Technical Review Checklist (TRC)

Question 11: **The TRC Import Checks are flagging Fund x Object combinations that I know are correct and in the latest validation tables. How do I clear these?**

Response: If you downloaded and unzipped the most current validation tables into the correct subdirectory (installation default is C:\SACS2021\Update), then make sure you run the "Update Validation" routine in the SACS software. For more details, see the "Update Validation" section on page 177 of this user guide. If the flag still does not clear, please call your county office of education, who will contact the CDE if they cannot resolve the problem.

Question 12: **While running the TRC, I get the error message "TRC_Minimum Classroom Compensation – Unit #13: Type Mismatch (Source: SACS)," but I click OK, and the TRC continues.**

Response: This error occurs if the software expects data to be numeric, but instead the data contains alpha/text characters. The problem data could be in any form that allows key entry, but since this particular error message says, "TRC_Minimum Classroom Compensation," it is likely that the TRC was running the "CURRENT-CALC-EXP" check at the time of the error, and the problem data may be in Form CEA. Open Form CEA and verify that there are only numeric values in each cell. If any alpha character – including a space – is in a cell that should be numeric, then delete the cell's contents, enter the correct number, save/close the form, and re-run the TRC. Until the data is corrected, **"Error #13 Type Mismatch" will prevent the software from officially exporting the data.**

Question 13: **My Technical Review Checklist tells me under EXPORT VALIDATION STEP 1 that required forms have not been completed. How do I get rid of this message?**

Response: Certain forms are required for export validation. Open each uncompleted form, input your data, and save the form, then re-run

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the TRC for the message to clear. If you are not required to complete the form and if the check is not fatal, go to the TRC Explanations screen to provide your explanation. The exception will still remain, but providing an explanation will allow you to complete the Export Official process.

NOTE: Do not save forms that do not contain data. Doing so may cause problems with other forms. Specifically, saving Form MYP without any data will prevent you from entering multiyear projection data in the Criteria and Standards Review form.

Validation Table Update

Question 14:   **I am running the update validation table routine in the SACS software, and it's taking a long time for the process to complete. When I ran previous validation table updates, they processed much faster. Why is the validation table update taking so long to process now?**

Response: After running one or more validation table updates, users may notice an increase in subsequent validation table update processing times. This issue may be mitigated by periodically running the CompactSACS2021.accdb file installed in the C:\SACS2021 subdirectory. See IMPROVING PERFORMANCE OF "RUNNING THE UPDATE VALIDATION" on page 177 for specific directions.

Exporting and Transferring Files

Question 15:   **The Export Official process failed. What do I do?**

Response: Review the list of outstanding TRC exceptions listed at the end of the Official Export process. Each of those items must either be corrected (within the source document) or explained in the TRC Explanations screen.

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Question 16: **I am trying to do an official export, but the export log shows me a "Failed Official Check" message and lists no exceptions. The only error I can find is that during the TRC, I get the error message "Error #13: Type Mismatch (Source: SACS)." I click OK when I get this error message, but the TRC continues and shows no fatal exceptions or unexplained warning exceptions. Why is the official export failing?**

Response: The official export is failing because of the "Error #13: Type Mismatch (Source: SACS)" message. If the TRC shows this error, then the software will not officially export the data. Please see Question 12 for more information.

Question 17: **I have installed the SACS software on a new computer and want to transfer existing data from my old computer.**

Response: Use the Export Other and Import Other options from the Main Menu to transfer data from one computer to another. Make sure the same version of the SACS software is installed on the new computer. See IMPORTING DATA and EXPORTING DATA for specific directions.

Printing

Question 18: **When I try printing fund forms, supplemental forms, or reports, the SACS software print status window freezes.**

Response: The workaround is to print to Microsoft XPS Document Writer or Adobe PDF. You might also try and make a printer adjustment as described in "Possible Fix" of the "Printing" section on page 35 of this user guide. This is a known printing issue relating to Windows 7/8/10.

Question 19: **How do I print all of the forms?**

Response: Please see the "Printing" section on page 33 of this user guide.

Question 20: **When I try printing to Adobe PDF, no "Save PDF File As"**

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	prompt appears, and the SACS software print status window is frozen and blank.
Response:	In many cases, the "Save PDF File As" prompt does appear on screen, but it is minimized to the task bar and doesn't pop up as an open window.
Question 21:	**When I try to print to Adobe PDF and press Save at the "Save PDF File As" prompt, the SACS software print status window freezes, and no PDF file is created.**
Response:	This may be resolved by changing your "Adobe PDF" printer settings as follows: Open Control Panel, select Devices and Printers, right-click on Adobe PDF, select Printer Properties, select the Advanced tab, and put a checkmark in the selection called "Enable advanced printing features."
Question 22:	**When I try printing the Expenditures by Function pages of the fund forms through the Table of Contents, I experience formatting problems.**
Response:	This is a known problem when printing from the Table of Contents with certain printer drivers. Unfortunately, we have not found a printer driver that works for all components of the SACS software. However, the forms should print correctly when printed from the fund form itself instead of from the Table of Contents. You could also try printing from the Table of Contents using another printer driver, but you may experience different problems. Please see Question 23 for more information.
Question 23:	**When I print my forms, borders and lines are missing or are not properly aligned.**
Response:	There is a known problem with printing with certain printer drivers. We have found that by making a printer adjustment, the forms may print correctly. With the form open, click the Print button to open the print window, then click the Properties button (or the Preferences button if printing from the Table of Contents). Click the Effects tab and set the resizing option to Print document on: (Letter), then

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select (check) the "Scale to Fit" box. You could also try using a different printer driver, but you may experience different problems, even in other applications such as Word or Excel.

Miscellaneous

Question 24: **The font on the General Fund form (Form 01) is really small. Is there some way to make it larger?**

Response: Because of the level of detail on the General Fund*[County School Service Fund]* forms (Form 01) for districts*[COEs]*, the font is much smaller for these reports. Changing the printing orientation from portrait to landscape will increase the font size. Each time you print Form 01 from either the Forms menu or the open fund form, a message box will display giving you the option to print landscape. Be aware, however, that printing landscape may also change the form format and/or page breaks, as well as increase the number of pages for the report.

Question 25: **Is there an easy way to back up my data files?**

Response: The easiest way, if you do not have a backup system, is to use the Export module and select the Other option (not Official), which will copy your data to a selected subdirectory. See EXPORTING DATA for detailed instructions.

Question 26: **I have a great idea to improve the software. How do I let you know about it?**

Response: That's great! We are always willing to listen to your ideas. There are a couple of ways to communicate with us. You can complete a Change Order Form, located in the Supplemental Forms menu, and email it to sacsinfo@cde.ca.gov. Please complete a separate change order for each idea to help in our processing and tracking of the change orders.

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Attachment F—Form Dependencies

Many of the forms in the software are dependent on data from other forms (supplemental data) and/or funds (general ledger data). Those dependent forms must be opened and saved to re-extract the most current data any time relevant general ledger (GL) or supplemental data is changed. If dependent forms are not opened and saved after relevant general ledger or supplemental data are changed, the dependent forms will not be accurate. The technical review checklist will identify such occurrences via the fatal export check CHK-DEPENDENCY and will not allow an official export of the data until the dependent forms is opened and saved.

The following tables list all of the dependent forms and the general ledger ("Funds") or supplemental ("Forms") data upon which they are dependent. If any funds or forms listed in the "Dependent on" columns are changed, then the applicable "Dependent Forms" must be subsequently opened and saved. **To avoid a cyclical CHK-DEPENDENCY exception, the dependent forms should be opened and saved in the order listed in the "Dependent Forms" column.**

BUDGET PERIOD

Dependent Forms (save these forms in this order)	Dependent on	
	Forms	**Funds (GL)**
01		01
CASH		01, 62
CEA		01
CEB		01
MYP	01, A	10, 17
01CS	01, A, MYP	All applicable funds
CB	01CS	

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Attachment F – continued
Form Dependencies

UNAUDITED ACTUALS PERIOD

Dependent Forms (save these forms in this order)	Dependent on	
	Forms	**Funds (GL)**
01		01
CEA		01
ESMOE	A	01, 09, 13, 61, 62
GANN	A	01, 09, 62
ICR		01, 08, 09, 11, 12, 13, 19, 57, 61, 62
L		All funds
PCRAF		01, 09, 62
PCR	PCRAF	01, 09, 11, 12, 13, 19, 57, 61, 62
CA	CEA, GANN, ICR, ESMOE	
SEMA	PCR	01, 09, 62
SEMB	PCR	01, 09, 62

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Form Dependencies

INTERIM PERIODS

Dependent Forms (save these forms in this order)	Dependent on	
	Forms	**Funds (GL)**
01I		01
CASH		01, 62
MYPI	01I, AI	10, 17
MYPIO		All applicable funds except 01
01CSI	01I, AI, CASH, MYPI	All applicable funds
CI	01CSI	
SEMAI		01, 09, 62

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**District Financial Services
Financial Accounting & Reporting**

Common Technical Review Exceptions

ADOPTED BUDGET .

Example 1

EFB-POSITIVE - (W) - `Ending balance (Object 979Z) is negative for the following resources. Please explain the cause of the negative balances and your plan to resolve them. NOTE: Negative ending balances in Fund 01 restricted resources will be offset against available reserves calculated in Form 01CS and Form MYP, which can negatively affect the criteria and standards.`

FUND	RESOURCE	NEG. EFB
01	0000	-149,959.12
Total of negative resource balances for Fund 01		-149,959.12

> ✓ **FIX**: All resources between the range of 0001-0999 roll into resource 0000 for SACS purposes. Check the PeopleSoft to see which resources are being used within that range and see which ones have a negative balance in their budget. These are the resources that need to be fixed.

Example 2

OBJ-POSITIVE - (W) - **The following objects have a negative balance by resource, by fund:**

FUND	RESOURCE	OBJECT	VALUE
01	9010	9790	-495,825.78

> ✓ **FIX**: All resources from 9000-9999 roll into resource 9010. Check the PeopleSoft to see which resources are being used within that range and see which ones have a negative balance in their budget. These are the resources that need to be fixed.

Example 3

OBJ-POSITIVE - (W) - **The following objects have a negative balance by resource, by fund:**

FUND	RESOURCE	OBJECT	VALUE
11	3555	4300	-73.98

> ✓ **FIX**: This is an abatement of prior year's supplies. The receipt should be recorded as revenue whenever the expense was incurred in the prior fiscal year. CSAM Procedure 560 Abatement of Expenditures.

Example 4

INTRAFD-INDIRECT - (F) - Transfers of Indirect Costs (Object 7310) must net to zero by fund.

FUND	OBJECT 7310
01	-534,648
13	534,648

> ✓ **FIX**: The entry should be charged to object 7350. The transaction should not be in the above object (Indirect Costs).

Example 5

INTERFD-IN-OUT - (F): Interfund Transfers In (objects 8910-8929) must equal Interfund Transfers Out (objects 7610-7629).

FUND	OBJECT	INTERFUND IN	INTERFUND OUT
01	7619	------------------	357,894.00
01	8919	945,781.00	------------------
12	7619	------------------	658,796.00
40	7619	-----------------	1,458.00
52	8919	42,165.00	------------------
67	7619	------------------	17,841.00
TOTALS		987,946.00	1,035,989.00
DIFFERENCE:		-48,043.00	

> ✓ **FIX**: This exception has occurred since the total budget for all accounts in Objects 7610-7629 does not equal the total budget for all accounts in Objects 8910-8919. The difference of -$48,043 needs to be accounted for. The district should review which fund needs to be adjusted to balance objects 7610-7619 with objects 8910-8929, thereby eliminating the exception.

Example 6

CHK-RESOURCExOBJECTA (W): **The following combinations for RESOURCE and OBJECT (objects 8000 through 9999, except for 9791, 9793, and 9795) are invalid. Data should be corrected or narrative must be provided explaining why the exception(s) should be considered appropriate**

ACCOUNT FD - RS - PY - GO - FN - OB	RESOURCE	OBJECT	VALUE
11-3926-0-0000-0000-9790	3926	9790	245,137.00

> ✓ **FIX**: The above resource is an Unearned Revenue (U) Resource (see CDE's website: http://www.cde.ca.gov/fg/ac/ac/resource.asp OR https://www2.cde.ca.gov/sacsquery/querybyresource.asp) This means that it cannot have an ending fund balance. Object 9790 is a component of the ending fund balance. All amounts in this Unearned Revenue Resource and in object 9790, must be cleared.
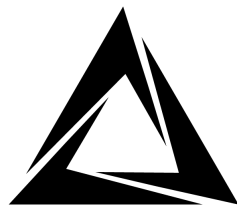
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District Financial Services
Financial Accounting & Reporting

SACS2021 - CLEARING FUND 51 TRC
2020-21 ESTIMATED ACTUALS
2021-22 ADOPTED BUDGET

May 4, 2021

For questions email: *finrep@sdcoe.net*

SACS SOFTWARE

FUND 51 – CLEAR FATAL TRC

Fund 51(Bond Interest and Redemption Fund): The SACS software has the prior year's ending balance preloaded and the TRC validates current year beginning balance is in agreement. A fatal exception will be generated at the budget cycle due to the missing county auditor's data. The County of SD does not provide SDCOE with the financial information for this fund until after the budget cycle.

This TRC can be eliminated by entering the Beginning Fund Balance in the User Data Input Review Screen. Use FD 51, Object 9791 (all other account strings enter zero), Enter the same Amount as the TRC exception.

Note: If fund 51 is reported in your financial system, Do Not follow the steps below but rather make the necessary adjustments in your financial system.

```
SACS2020 Financial Reporting Software - 2020.1.0
                                                    37-xxxxx-0000000
                            July 1 Budget
                       2020-21 Estimated Actuals
                        Technical Review Checks
XYZ School District                                 San Diego County


     Following is a chart of the various types of technical review checks and
related requirements:


        F    -   Fatal (Data must be corrected; an explanation is not allowed)
        W/WC -   Warning/Warning with Calculation (If data are not correct,
                 correct the data; if data are correct an explanation
                 is required)
        O    -   Informational (If data are not correct, correct the data; if
                 data are correct an explanation is optional,
                 but encouraged)
```

IMPORT CHECKS

```
PY-EFB=CY-BFB - (F) - Prior year ending fund balance (preloaded from last
year's unaudited actuals submission) must equal current year beginning fund
balance (Object 9791) for the following funds:               EXCEPTION
```

	2019 - 20	2020 - 21	
FUND	EFB	BFB	DIFFERENCE
51	3,801,196.00	0.00	-3,801,196.00
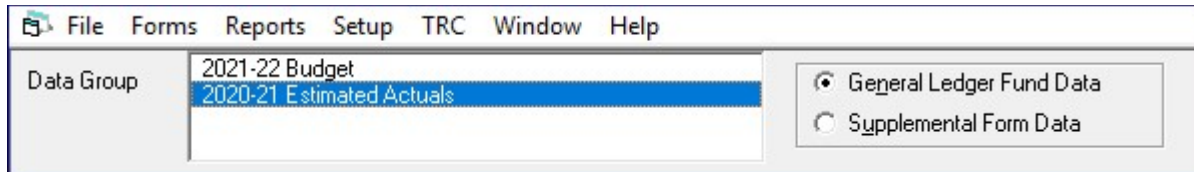
```
PY-EFB=CY-BFB-RES - (F) - Prior year ending balance (preloaded from last
year's unaudited actuals submission) must equal current year beginning
balance (Object 9791), by fund, for the following resources:   EXCEPTION
```

		2019 - 20	2020 - 21	
FUND	RESOURCE	EFB	BFB	DIFFERENCE
51	0000(or 9010)	3,801,196.00	0.00	-3,801,196.00

SACS SOFTWARE

FUND 51 – CLEAR FATAL TRC
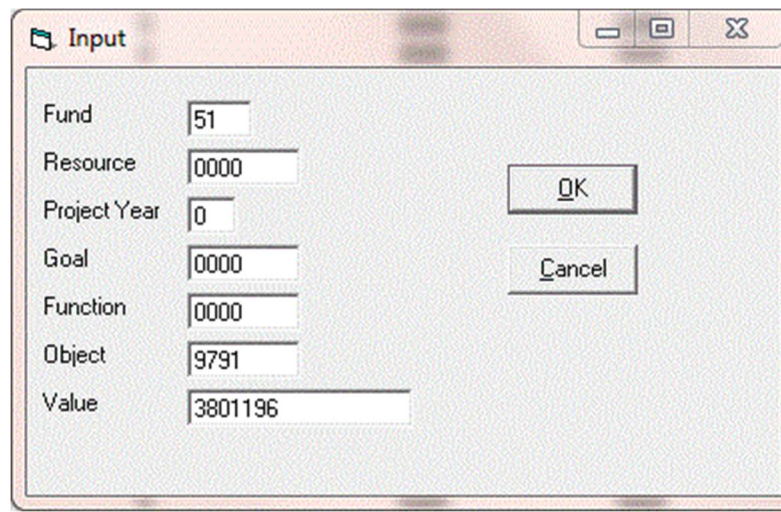
1.- Add the Beginning Balance: Forms >> User Data Input/Review >> Select: Estimated Actuals >> Click button 'Add' (at bottom).

Input Screen

- **Fund: 51**
- **Object: 9791**
- **Resource: 0000 or 9010**
- **Amount: Same amount from TRC**

FUND 51 – CLEAR FATAL TRC

2.- For Resource 0000 you will need to _Assign_ the same Amount in both _Estimated Actuals and Budget_ {for Resource 9010 it will automatically assign to 9740 - Restricted}

Forms >> Components of Ending Fund Balance/Net Position >> Select Estimated Actuals/Budget Fund 51

```
                        July 1 Budget
                  2020-21 Estimated Actuals
                   Technical Review Checks


UNASSIGNED-NEGATIVE - (F) - Unassigned/Unappropriated balance (Object 9790)
is greater than zero in the following resources by fund. Positive balances,
in funds other than the general fund and funds 61 through 73, must be
reported as restricted, committed, or assigned.                  EXCEPTION


FUND            RESOURCE                    AMOUNT
51              0000                   3,801,196.00
```

3.- Assign the amount to 9780 – Other Assignments for both Estimated Actuals and Budget.

AUDIT

In April, the Education Audit Appeals Panel publishes the *Standards and Procedures for Audits of California K-12 Local Educational Agencies (**Audit Guide**).* Once published, the guide is made available at their web address at http://www.cde.ca.gov/fg/au/ag/requirements.asp. The audit guide provides direction for your contracted independent auditor to audit your financial statements. New and discontinued audit compliance areas for the fiscal year are addressed.

By Dec   an annual audit report
with the   ∋partment of Education
and th   address the financial
disposi   ∪ur auditor may report
except   ∋ action in one or more
of the f   ∃quipment; 3) Internal
Contro   ∋ ; 6) Miscellaneous; 7)
Instruc   9) Associated Student
Body a   ∴.

Ensurii   ∋ction of the financial
statem   audit exceptions.

Districts can establish a folder with frequently requested audit documents that can be used throughout the year and during the year-end closing process.

ACCOUNTING UPDATES

This section provides SACS accounting changes for the current year, as well as for subsequent years.

Additional Resources

1. California School Accounting Manual (CSAM) 2019 Edition
   http://www.cde.ca.gov/fg/ac/sa/

2. California Department of Education (CDE) Correspondence Website at
   http://www.cde.ca.gov/fg/ac/co/

3. School Services of California (SSC) Fiscal Report Articles at
   http://www.sscal.com/

4. SACS Matrix Updates included with CDE's SACS Validation Tables Update
   Notification http://www.cde.ca.gov/fg/ac/ac/validcodes.asp

5. SACS Forum Meetings https://www.cde.ca.gov/fg/ac/ac/sacsforumrecap.asp

6. SACS Frequently Asked Questions. Enclosed
   https://www.cde.ca.gov/fg/ac/ac/sacsfaq.asp

Frequently Asked Questions - SACS

Frequently asked questions regarding standardized account code structure (SACS) financial reporting.

Education Protection Account

1. Have unique account codes been established for the Education Protection Account (EPA) entitlement?
2. How should the adjustment of the EPA entitlement from P-2 to Annual be recorded?
3. How should Local Educational Agencies (LEAs) record EPA expenditures? Since the EPA entitlement merely replaces state aid funds that have always been reported in Resource 0000, is it appropriate to accumulate the costs in Resource 0000 and then make a direct cost transfer from Resource 0000 to Resource 1400?
4. Must expenditures of EPA funds be charged directly to the EPA resource at the time of expenditure, or may periodic or annual adjusting entries be made between another resource and Resource 1400?
5. Can EPA funds be transferred to other resources?
6. Can contributions from other resources (funding sources) be made to Resource 1400?
7. Can EPA funds be carried over into the following year?
8. Must the EPA entitlement be allocated proportionately to the programs that generate Average Daily Attendance (ADA)?
9. The law specifies that LEAs may not use EPA funds for salaries or benefits of administrators or any other administrative costs. What is the definition of administrative costs?
10. Specifically, for what types of activities may EPA funds be used?
11. May EPA funds be used for indirect costs?
12. Will the California Department of Education (CDE) provide a template that LEAs can use for reporting EPA revenues and expenditures?
13. The law requires that the use of EPA funds be determined by the governing board at an open public meeting. Does this meeting need to be a separate meeting only for the discussion of EPA funding?
14. When should the open public meeting for discussing the use of EPA funding be held?

16.1

---

1. **Have unique account codes been established for the Education Protection Account (EPA) entitlement?** (Updated 06-Jun-2017)

   Yes, standardized account code structure (SACS) Resource 1400, Education Protection Account, and revenue Object 8012, Education Protection Account Entitlement, have been established. These codes are required to be used by all local educational agencies (LEA), including charter schools, receiving EPA funds.

   Charter schools reporting financial data via the Alternative Form, which does not contain resource codes, should use Object 8012 to record the EPA entitlement.

2. **How should the adjustment of the EPA entitlement from P-2 to Annual be recorded?** (Updated 06-Jun-2017)

   Any amount received in the current year that was not accrued in the prior year should be recorded to Resource 1400 using Object 8019, LCFF/Revenue Limit State Aid – Prior Years.

   Charter schools reporting financial data via the Alternative Form should use Object 8019.

3. **How should LEAs record EPA expenditures? Since the EPA entitlement merely replaces state aid funds that have always been reported in Resource 0000, is it appropriate to accumulate the costs in Resource 0000 and then make a direct cost transfer from Resource 0000 to Resource 1400?**

   EPA expenditures should be reported in Resource 1400 using the actual expenditure account lines where feasible, and not lump-sum transferred using Object 5710, Transfers of Direct Costs. The intention of the EPA reporting requirement is transparency. Reporting actual expenditure items achieves this better than a lump-sum transfer. The use of a unique resource code facilitates this transparency in the LEA's accounting records.

16.2

4. **Must expenditures of EPA funds be charged directly to the EPA resource at the time of expenditure, or may periodic or annual adjusting entries be made between another resource and Resource 1400?**

It is appropriate to record periodic adjusting entries between another resource and Resource 1400. However, as mentioned previously, the entries should be made using the actual expenditure account lines and not as a lump-sum direct cost transfer.

Back to top

5. **Can EPA funds be transferred to other resources?** (Updated 06-Jun-2017)

Allowable expenditures should be recorded directly to EPA Resource 1400 to the extent possible. The CDE expects that school districts and charter schools incur sufficient unrestricted educational expenditures that should allow for easily identifying amounts to be reported in Resource 1400.

However, due to a unique characteristic of county offices of education (COEs) in that they may operate many programs on a fee for service model, it may be necessary for COEs to transfer EPA funds to other resources in order to keep program accounting intact.

An example is an excess tax COE that historically has operated a program on behalf of school districts on a fee for service basis. This COE may decide to use its new minimum $200 per ADA EPA entitlement towards the cost of running the program, thus enabling them to charge less to participating school districts. Although the program is partially funded with unrestricted revenues, the COE may want to keep expenditures together in order to determine the charges for services.

6. **Can contributions from other resources (funding sources) be made to Resource 1400?**

No. Because LEAs have a legal requirement to report the receipt and use of EPA funds, contributions to Resource 1400 from other resources would distort EPA expenditures and not result in the intended reporting transparency. Also note that the EPA is not a "program," in the sense that it is not "a group of related activities that operate together to accomplish specific purposes or objectives." The normal reason for recording a contribution to a program is to keep program expenditures together, which does not apply in this context. Therefore, contributions from other funding

sources should not be made to Resource 1400.

7. **Can EPA funds be carried over into the following year?** (Updated 06-Jun-2017)

The law does not restrict the amount of EPA funds that may be carried over. As a practical matter, though, most EPA funds probably will be expended each year.

8. **Must the EPA entitlement be allocated proportionately to the programs that generate ADA?** (Updated 06-Jun-2017)

There are no statutory requirements on how EPA funds should be allocated and each LEA decides locally how to best allocate funds.

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9. **The law specifies that LEAs may not use EPA funds for salaries or benefits of administrators or any other administrative costs. What is the definition of administrative costs?** (Updated 06-Jun-2017)

The CDE has interpreted that administrative costs, as used within Section 36 of Article XIII of the California Constitution, means anything defined as administration in the *California School Accounting Manual*. Administrative costs include general administration, school administration, and instructional administration:

- General administration refers to agency-wide administrative activities including governing board, superintendent, and district-level fiscal, personnel, and central support services.
- School administration refers to activities concerned with directing and managing the operation of a particular school.
- Instructional administration refers to activities for assisting instructional staff in planning, developing, and evaluating the process of providing learning experiences for students.

The CDE has determined that expenditures by county offices of education for certain administrative activities they are required to perform on behalf of the school districts within the county are not administrative costs for purposes of the law. These expenditures are separately identifiable within the county office's financial reports.

The CDE believes that defining administration at the functional level, rather than by specific items of expenditure, will make it easier for LEAs to identify costs that may be charged to EPA. Furthermore, the CDE is confident that LEAs incur a sufficient

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level of non-administrative costs, e.g., instruction and pupil services, to easily meet the intent of the law to not use EPA funding for administrative costs.

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10. **Specifically, for what types of activities may EPA funds be used?**

Except as provided below for COEs, the following tables of SACS functions show the activities for which EPA funds may and may not be used:

1000–1999   INSTRUCTION

SACS Function	Chargeable to EPA?
1000 Instruction	Yes
1110 Special Education: Separate Classes	Yes
1120 Special Education: Resource Specialist Instruction	Yes
1130 Special Education: Supplemental Aids and Services in Regular Classrooms	Yes
1180 Special Education: Nonpublic Agencies/Schools	Yes
1190 Special Education: Other Specialized Instructional Services	Yes

2000–2999   INSTRUCTION-RELATED SERVICES

SACS Function	Chargeable to EPA?
2100 Instructional Supervision and Administration	No
2110 Instructional Supervision (optional)	No
2120 Instructional Research (optional)	No
2130 Curriculum Development (optional)	No
2140 In-house Instructional Staff Development (optional)	No

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2150 Instructional Administration of Special Projects (optional)	No
2200 Administrative Unit (AU) of a Multidistrict SELPA	No
2420 Instructional Library, Media, and Technology	Yes
2490 Other Instructional Resources	Yes
2495 Parent Participation (optional)	Yes
2700 School Administration	No

3000–3999 PUPIL SERVICES

SACS Function	Chargeable to EPA?
3110 Guidance and Counseling Services	Yes
3120 Psychological Services	Yes
3130 Attendance and Social Work Services	Yes
3140 Health Services	Yes
3150 Speech Pathology and Audiology Services	Yes
3160 Pupil Testing Services	Yes
3600 Pupil Transportation	Yes
3700 Food Services	Yes
3900 Other Pupil Services	Yes

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4000–4999   ANCILLARY SERVICES

SACS Function	Chargeable to EPA?
4000 Ancillary Services	Yes
4100 School-Sponsored Co-curricular (optional)	Yes
4200 School-Sponsored Athletics (optional)	Yes
4900 Other Ancillary Services (optional)	Yes

5000–5999   COMMUNITY SERVICES

SACS Function	Chargeable to EPA?
5000 Community Services	Yes
5100 Community Recreation (optional)	Yes
5400 Civic Services (optional)	Yes
5900 Other Community Services (optional)	Yes

6000–6999   ENTERPRISE

SACS Function	Chargeable to EPA?
6000 Enterprise	No

7000–7999   GENERAL ADMINISTRATION

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SACS Function	Chargeable to EPA?
7100 Board and Superintendent	No
7110 Board	No
7120 Staff Relations and Negotiations (optional)	No
7150 Superintendent (optional)	No
7180 Public Information (optional)	No
7190 External Financial Audit—Single Audit	No
7191 External Financial Audit—Other	No
7200 Other General Administration	No
7210 Indirect Cost Transfers	No
7300 Fiscal Services (optional)	No
7310 Budgeting (optional)	No
7320 Accounts Receivable (optional)	No
7330 Accounts Payable (optional)	No
7340 Payroll (optional)	No

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7350 Financial Accounting (optional)	No
7360 Project-Specific Accounting (optional)	No
7370 Internal Auditing (optional)	No
7380 Property Accounting (optional)	No
7390 Other Fiscal Services (optional)	No
7400 Personnel/Human Resources Services (optional)	No
7410 Staff Development (optional)	No
7430 Credentials (optional)	No
7490 Other Personnel/Human Resources Services (optional)	No
7500 Central Support (optional)	No
7510 Planning, Research, Development, and Evaluation (optional)	No
7530 Purchasing (optional)	No
7540 Warehousing and Distribution (optional)	No

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7550 Printing, Publishing, and Duplicating (optional)	No
7600 All Other General Administration (optional)	No
7700 Centralized Data Processing	No

8000–8999   PLANT SERVICES

SACS Function	Chargeable to EPA?
8100 Plant Maintenance and Operations	Yes
8110 Maintenance (optional)	Yes
8200 Operations (optional)	Yes
8300 Security (optional)	Yes
8400 Other Plant Maintenance and Operations (optional)	Yes
8500 Facilities Acquisition and Construction	Yes
8700 Facilities Rents and Leases	Yes

9000–9999   OTHER OUTGO

SACS Function	Chargeable to EPA?
9100 Debt Service	Yes
9200 Transfers Between Agencies	Yes

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County Office of Education only

SACS Goal	Chargeable to EPA?
8600 County Services to Districts (without regard to function)	Yes

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11. **May EPA funds be used for indirect costs?**

   Indirect costs are not an allowable use of EPA funds because they are primarily administrative costs.

12. **Will the CDE provide a template that LEAs can use for reporting EPA revenues and expenditures?** (Updated 06-Jun-2017)

   The law did not prescribe a format for LEAs to report their receipt and expenditure of EPA funds, nor did it require the CDE to develop a format. Therefore, the CDE will not be providing a template. It will be at an LEA's discretion to determine the format for reporting its EPA revenue and expenditures on its Web site.

13. **The law requires that the use of EPA funds be determined by the governing board at an open public meeting. Does this meeting need to be a separate meeting only for the discussion of EPA funding?** (Updated 06-Jun-2017)

   The language within the law does not specify that the open public meeting has to be a separately held meeting. Therefore, this requirement may be satisfied at a regularly scheduled meeting, which the CDE believes could be the annual budget adoption meeting.

14. **When should the open public meeting for discussing the use of EPA funding be held?** (Updated 06-Jun-2017)

   The CDE believes that this could be at the annual budget adoption meeting, although it could be at any open public meeting before expenditures are recorded for each applicable fiscal year.

15. **Will the CDE provide guidance or sample language for a governing board's approval of the use of EPA funds at an open public meeting?** (Updated 06-Jun-2017)

No. Section 36 of Article XIII of the California Constitution did not prescribe the format that the governing board's approval of the use of EPA funding must take, and did not require the CDE to develop a format. Therefore, it will be at an LEA's discretion to determine the appropriate approval format, based on local governing board policies.

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16. **What are some example journal entries?** (Updated 06-Jun-2017)

a. The LEA records receipt of its 2012–13 EPA entitlement in June 2013.

Debit (Dr)/ Credit (Cr)	Fund	Resource	Project Year	Goal	Function	Object	Amount
Cr	01	1400	0	0000	0000	8012	$10,000

b. For 2012–13, the school district reclassifies $10,000 of instructional expenditures (teacher salaries and benefits) originally accumulated in Resource 0000 to Resource 1400, according to the spending determination made by the governing board.

Dr/Cr	Fund	Resource	Project Year	Goal	Function	Object	Amount
Dr	01	1400	0	1110	1000	1100	$7,000
Dr	01	1400	0	1110	1000	3101	$1,000
Dr	01	1400	0	1110	1000	3401	$ 700
Dr	01	1400	0	1110	1000	3501	$ 600
Dr	01	1400	0	1110	1000	3601	$ 400

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Dr	01	1400	0	1110	1000	3801	$ 300
Cr	01	0000	0	1110	1000	1100	$7,000
Cr	01	0000	0	1110	1000	3101	$1,000
Cr	01	0000	0	1110	1000	3401	$ 700
Cr	01	0000	0	1110	1000	3501	$ 600
Cr	01	0000	0	1110	1000	3601	$ 400
Cr	01	0000	0	1110	1000	3801	$ 300

c. The LEA records receipt of its 2013–14 EPA entitlement.

Dr/Cr	Fund	Resource	Project Year	Goal	Function	Object	Amount
Cr	01	1400	0	0000	0000	8012	$9,000

d. The LEA records receipt of its 2012–13 EPA entitlement adjustment, based on 2012–13 Annual apportionment (assumes the amount was not accrued in 2012–13).

Dr/Cr	Fund	Resource	Project Year	Goal	Function	Object	Amount
Cr	01	1400	0	0000	0000	8019	$2,000

e. For 2013–14, the school district reclassifies $11,000 of instructional expenditures

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(teacher salaries and benefits) originally accumulated in Resource 0000 to Resource 1400, according to the spending determination made by the governing board. (Note that an LEA could instead charge expenditures directly to EPA from the beginning.)

Dr/Cr	Fund	Resource	Project Year	Goal	Function	Object	Amount
Dr	01	1400	0	1110	1000	1100	$7,000
Dr	01	1400	0	1110	1000	3101	$1,000
Dr	01	1400	0	1110	1000	3401	$ 700
Dr	01	1400	0	1110	1000	3501	$ 600
Dr	01	1400	0	1110	1000	3601	$ 400
Dr	01	1400	0	1110	1000	3801	$ 300
Cr	01	0000	0	1110	1000	1100	$7,000
Cr	01	0000	0	1110	1000	3101	$1,000
Cr	01	0000	0	1110	1000	3401	$ 700
Cr	01	0000	0	1110	1000	3501	$ 600
Cr	01	0000	0	1110	1000	3601	$ 400
Cr	01	0000	0	1110	1000	3801	$ 300

Example specific to county offices of education (COEs)

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f. An excess tax COE determines that it will use its EPA entitlement to fund some of the costs of a program that it operates on a fee-for-service basis on behalf of school districts. The program incurs costs that are allowed to be charged to EPA. In this case, the program is funded with unrestricted revenues. Therefore, EPA funds are transferred to the unrestricted resource.

Dr/Cr	Fund	Resource	Project Year	Goal	Function	Object	Amount
Dr	01	1400	0	0000	0000	8091	$15,000
Cr	01	0000	0	0000	0000	8091	$15,000

NOTE: If EPA funds are transferred out of Resource 1400 then the LEA should keep local accounting records to document that the EPA funds have been spent for non-administrative costs for purposes of the reporting requirement and the annual audit.

17. **Can the charter school 1% supervisorial oversight fee be charged on EPA funds?** (Updated 06-Jun-2017)

Yes. Pursuant to *Education Code* (*EC*) sections 47613 and 47632, the amount that can be charged for the charter supervisorial oversight fee is based on revenues which, for purposes of calculating the oversight fee, is defined as the general-purpose entitlement. Section 36 of Article XIII of the California Constitution did not change the definition of those revenues or the calculation for the general purpose entitlement; rather, it changed where the funds for general purpose entitlement will come from.

18. **Has the CDE provided any additional EPA information?**

Yes, additional EPA information [http://www.cde.ca.gov/fg/aa/pa/epa.asp] is available on the CDE Web site.

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Questions: Financial Accountability & Information Services | sacsinfo@cde.ca.gov | 916-322-1770

Last Reviewed: Tuesday, April 06, 2021

GLOSSARY OF COMMON TERMS

SCHOOL FINANCE TERMS

https://www.sscal.com/
https://legacy.sscal.com/glossary.htm

Glossary of Common School Finance Terms

ADA	Average daily attendance. There are several kinds of attendance, and these are counted in different ways. For regular attendance, ADA is equal to the average number of pupils actually attending classes who are enrolled for at least the minimum school day. Ever since 1998-99, excused absences no longer count toward ADA. Attendance is counted every day of the school year and is reported to the California Department of Education three times a year (see Attendance Reports)
AB 1200	Reference to AB 1200 (Chapter 1213/1991) that imposed major fiscal accountability controls on school districts and county offices of education, by establishing minimum reserve levels and other requirements for agency budgets and fiscal practices. See especially Education Code Sections 1240 et seq. and 42131 et seq.
Accural Basis Accounting	An accounting system where transactions are recorded when they have been reduced to a legal or contractual right or obligation to receive or pay out cash or other resources.
Ad valorem Taxes	Taxes that are based on the value of property, such as the standard property tax. The only new taxes based on the value of property that are allowed today are those imposed by voter approval for capital facilities bonded indebtedness, with a vote requirement of either 55% for a Proposition 39 bond or a two-thirds requirement for other bonds.
Apportionment	State aid given to a school district or county office of education. Apportionments for the Local Control Funding Formula (LCFF) and special education are calculated four times for each school year: (1) the Advance Apportionment, which is based on an agency's prior year's state aid, is certified in July, (2) the First Principal Apportionment (P-1) is certified February 20 of the school year corresponding to the P-1 ADA (see Attendance Reports), (3) the Second Principal Apportionment (P-2) is certified by July 2 corresponding to the P-2 ADA, and (4) the annual recalculation of the apportionment is certified in February following the school year (at the same time as the P-1 Apportionment) and is based on P-2 ADA, except for programs where the annual count of ADA is used.

Appropriation Bill	A bill before the Legislature authorizing the expenditure of public money and stipulating the amount, manner, and purpose for the expenditure items.
Assessed Valuation	The total value of property within a school district as determined by state and county assessors. The "AV" of a school district will influence the total property tax income of a school district. The percentage growth in statewide AV from one year to the next is an important ingredient in determining appropriations levels required from the state for fully funding district and county LCFF entitlements, as well as for Proposition 98 calculations. Ever since Proposition 13, assessed value is reset to be the true market value only at the time of property transfer or new construction.
Attendance Reports	Each school district reports its attendance three times during a school year. The First Principal Apportionment ADA, called the P-1 ADA or the P-1 count, is counted from July 1 through the last school month ending on or before December 31 of a school year. The Second Principal Apportionment ADA, called the P-2 ADA, is counted from July 1 through the last school month ending on or before April 15 of a school year. Fiscal or annual ADA is based on the count from July 1 through June 30. The final recalculation of the apportionment is based on the P-2 ADA except for nonpublic school, community day school, extended year, and nonpublic school funding, all of which use the annual count of ADA. Also, under certain circumstances when a district has a very large influx of migrant students in the spring, a district may request the use of annual ADA in lieu of P-2 ADA.
Basic Aid	The California Constitution guarantees that each school district will receive a minimum amount of state aid, called "basic aid," equal to $120 per ADA or $2,400 per district, whichever is greater. Per a change in state law effective 2003-04, state categorical aid is counted first toward meeting the minimum allocation of basic aid (ref. Education Code Section 41975). "Basic aid school districts" are districts where property taxes exceed the computed LCFF entitlement; such districts receive no state aid from the LCFF.
Bonded Indebtedness	An obligation incurred by the sale of bonds for acquisition of school facilities or other capital expenditures. Since 1986, districts have been able to levy a local property tax to amortize bonded indebtedness, provided the taxes are approved by a two-thirds or 55% vote of the electorate, depending on the type of bond measure.

Categorical Aid	Funds from the state or federal government granted to qualifying school agencies for specialized programs regulated and controlled by federal or state law or regulation. Examples include programs for children with special needs, such as special education or special programs, such as child nutrition. Expenditure of most categorical aid is restricted to its particular purpose. The funds are granted to districts in addition to their LCFF entitlement.
CalPADS	The California Longitudinal Pupil Achievement Data System, which is used to maintain individual-level data including student demographics, course data, discipline, assessments, staff assignments, and other data for state and federal reporting.
CalPERS	California Public Employees' Retirement System. State law requires that classified employees and their employer contribute to this retirement fund.
CalSTRS	California State Teachers' Retirement System. State law requires that certificated employees, their employer, and the state contribute to this pension fund.
CBEST	The California Basic Education Skills Test. Required of anyone seeking certification as a teacher, the test measures proficiency in reading, writing and mathematics.
Certificated Personnel	School employees who hold positions for which a credential is required by the state – teachers, librarians, counselors and most administrators.
Classified Personnel	School employees who hold positions that do not require a credential, like instructional aides, custodians, clerical support, cafeteria workers, bus drivers, etc.
Class Size Penalties	The penalties imposed on school districts that have classes in excess of certain maximum sizes. (Class size penalties result in a reduction in ADA which, in turn, results in a loss in revenue limit income.) See Education Code Sections 41376 and 41378.
Consumer Price Index (CPI)	A measure of the cost-of-living compiled by the United States Bureau of Labor Statistics. Separate indices of inflation are calculated regularly for the United States, California, some regions within California, and selected cities. The CPI is one of several measures of inflation.
Cost-of-Living Adjustment (COLA)	An increase in funding for government programs, including the LCFF target calculation and categorical programs. Current law ties the COLA percentage for most education programs to the

	annual percentage change in the "Implicit Price Deflator" for State and Local Governments—a government price index. See Education Code Section 42238.1.
Contribution	The expenditure of general purpose funds in support of a categorical program, i.e., the categorical expense requires a contribution from the district's General Fund for support. This occurs in most districts and county offices that provide special education and transportation. Contributions to other programs may be caused by deficit factors or local decisions to allocate general purpose funds to special purpose programs.
Credentialed Teacher	One holding a credential to teach issued by the State Commission on Teacher Credentialing. A credential is issued to those who have successfully completed all college training and courses required by the State, have graduated from an accredited college or university, have met any other state requirements and have passed the California Basic Education Skills Test (CBEST).
Criteria and Standards	Local district budgets must meet state-adopted provisions of "criteria and standards." These provisions establish minimum fiscal standards that school districts, county offices of education and the State use to monitor district fiscal solvency and accountability. See Education Code Sections 33127 et seq.
Declining Enrollment Adjustment	A formula that cushions the drop in income in a district with a declining student population. Under current law, districts are funded for the greater of current year or prior year ADA. See Education Code Section 42238.5.
Deficit Factor	When an appropriation to the State School Fund for any specific program is insufficient to pay all claims for state aid, a deficit factor is applied to reduce the allocation of state aid to the amount appropriated.
Economic Impact Aid (EIA)	State categorical aid for districts with concentrations of children who are bilingual, transient and/or from low income families
Education Protection Account (EPA)	The EPA was created by Proposition 30 of 2012, which increased sales and income taxes on a temporary basis. Funds collected from the increased taxes are deposited into the EPA, which is then issued to local educational agencies as a replacement for the state aid portion of the LCFF.

Education Revenue Augmentation Fund (ERAF)	The fund used to collect the property taxes that are shifted from cities, the county and special districts within each county, prior to their distribution to K-14 school agencies.
Encroachment	The expenditure of school districts' general purpose funds in support of a categorical program, i.e. the categorical expense encroaches into the district's general fund for support. Encroachment occurs in most districts and county offices that provide special education and transportation. Other encroachment is caused by deficit factors or local decisions to allocate general purpose funds to special purpose programs.
Forest Reserve Funds	25% of funds received by a county from the United States Government from rentals of forest reserve lands are apportioned among the various districts in the county according to scholastic population.
Full-Time Equivalent (FTE)	The ratio of time expended in a part-time position to that of a full-time position.
Gann Limit	A limit on the appropriation of tax revenues of all levels of California government—the state, cities, counties, school agencies, and special districts imposed by Proposition 4, an initiative passed in November 1979 (ref. Article XIIIB of the California Constitution). Using 1978-79 as a base year, subsequent years' limits have been adjusted for: (1) an inflation increase which is currently equal to the annual change in California per capita personal income, and (2) the change in population, which for school agencies is the change in ADA. Although officially called "Appropriation Limits," these limits are commonly called "Gann Limits" after Paul Gann, the author of Proposition 4.
Gap Funding	The amount of funding provided in the annual State Budget Act to move local agencies toward their LCFF target for each year of the estimated eight-year implementation period.
General Obligation Bonds	Bonds that are a "general obligation" of the government agency issuing them, i.e. their repayment is not tied to a selected revenue stream. Bond elections in a school district must be approved by a two-thirds or 55% vote of the electorate, depending on the bond program, but state bond measures require only a majority vote.
Grade Span Adjustments (GSA)	Added to the base grants in the LCFF calculation. There is a 10.4% GSA for reducing class sizes in grades TK-3 and a 2.6% GSA for career-technical education that applies to grades 9-12.

Hold Harmless	A formula providing a guarantee of no loss in funding for an agency when a change in law or data would otherwise require a loss in funding.
Implicit Price Deflator	See Cost-of-Living Adjustment.
Indirect Expense and Overhead	Those elements of indirect cost necessary to the operation of the district or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be separately identified. Indirect costs are allocated to all programs in a school agency as a percentage of direct and allocated costs for each program.
Individualized Education Program (IEP)	A written agreement between a school agency and parents or guardians of a disabled child specifying an educational program tailored to the needs of the child, in accordance with federal PL 94-142 regulations. An IEP team is comprised of a certified district employee who is qualified to supervise special education, the child's teacher, one or both parents, the child, if appropriate, and other individuals at the discretion of the parent or school. The IEP must include a statement of the child's present levels of educational performance, a statement of annual goals and short term instructional objectives, a statement of the specific special education and related services to be provided to the child, the extent to which the child will participate in regular education programs, the projected dates for starting services, appropriate objective criteria, evaluation procedures, and schedules for determining, on at least an annual basis, whether the short term instructional objectives are being achieved.
Local Control Funding Formula (LCFF)	The LCFF, which replaced revenue limits and most categorical programs starting in 2013-14. It is the amount that a district or charter school can collect annually from local property taxes and state aid. It is comprised of a base grant by grade span multiplied per unit of ADA, with grade span adjustments for class-size reduction in grades TK-3 and for career-technical education at the high school level. Supplemental and concentration grants are added based upon the percentage of the student population that is free and reduced-price meal (FRPM) eligible, English learners, and foster youth, unduplicated.
Mandated Costs	School district expenses that occur because of federal or state laws, decisions of state or federal courts, federal or state administrative regulations. See Senate Bill (SB) 90, 1977, and also Proposition 4, 1979.

Maintenance Assessment Districts	A methodology for local agencies, including school agencies, to charge property owners a fee for the benefit derived by the property as a result of local agency service improvements. (See Lighting and Landscape Act of 1972, Section 22500 of the Street and Highways Code). Originally, school agencies were allowed to impose the "fee" by a vote of the local governing board only, by merely showing a benefit to each fee payer. Now, however, a school agency must hold an election before such a fee can be levied.
Maintenance Factor	See *Proposition 98*.
Miscellaneous Funds	Local revenues received from mineral royalties or bonuses and other payments in lieu of taxes. Fifty percent of such revenues are used as an offset to state aid in the LCFF.
Necessary Small School	An elementary school with 96 or fewer or high school with 286 or fewer ADA that meets the standards of being "necessary." See Education Code Sections 42280 et seq.
Parcel Tax	A special tax that is a flat amount per parcel and not ad valorem based (i.e., not based on the assessed value of the property). Parcel taxes must be approved by a two-thirds vote of the electorate. See Government Code Section 50079, et al.
PL81-874	A federal program of "Impact Aid" that provides funds to school agencies that educate children whose families live and/or work on federal property, such as military bases. Also called "PL874."
PL94-142	Federal law that mandates a free appropriate public education (FAPE) for all disabled children. Also known as IDEA, the Individuals with Disabilities Education Act.
Prior Year's Taxes	Tax revenues that had been delinquent in a prior year and that are received in the current fiscal year. These revenues offset state aid in the current year in the LCFF.
Proposition 13	An initiative amendment passed in June 1978 adding Article XIII A to the California Constitution. Under Proposition 13, the maximum total property tax rate for all government operations—including school agencies, cities, counties, and special districts—is 1% of assessed value and additional property tax levies may only be made for voter approved debt. Proposition 13 also defined assessed value and required a two-thirds vote to levy any special purpose tax.
Proposition 98	An initiative adopted in 1988 and then amended by Proposition 111 in 1990. Proposition 98 contains three major provisions: (1) a minimum level of state funding for K-14

	school agencies (unless suspended by the Legislature); (2) a formula for allocating any state tax revenues in excess of the state's Gann Limit; and, (3) the requirement that a School Accountability Report Card be prepared for every school. The minimum funding base is set equal to the greater of the amount of state aid determined by two formulas, commonly called "Test 1" and "Test 2" unless an alternative formula, known as "Test 3," applies.
	"Test 1" originally provided that K-14 school agencies shall receive at least 39.5% of state General Fund tax revenues in each year, the same percentage as was appropriated for K-14 school agencies in 1986-87.
	"Test 2" provides that K-14 school agencies shall receive at least the same amount of combined state aid and local tax dollars as was received in the prior year, adjusted for the statewide growth in K-12 ADA and an inflation factor equal to the annual percentage change in per capita personal income.
	"Test 3" only applies in years in which the annual percentage change in per capita state General Fund tax revenues plus 1/2% is lower than the "Test 2"inflation factor (i.e., the change in per capita personal income), in which case the inflation factor is reduced to the annual percentage change in per capita state General Fund tax revenues plus 1/2%.
	One of the provisions of Proposition 98 (as amended by Proposition 111/1990) applies only if the minimum funding level is reduced due either to "Test 3" or the suspension of the minimum funding level by the Legislature and Governor. In such a situation, a "maintenance factor" is initially set equal to the amount of that year's funding reduction due to "Test 3" or suspension, and this amount grows each year by statewide ADA growth and the "Test 2" inflation factor. In subsequent years when state taxes per capita grow faster than personal income per capita, this "maintenance factor" is restored by increasing the Proposition 98 minimum funding level until the funding base is fully restored. This restoration process is applied prospectively only, and there is no requirement that the revenue loss in the year or years prior to the maintenance factor being fully restored be made up.
Reserves	Funds set aside in a school agency budget to provide for economic uncertainties, future expenditures, working capital, or other purposes.

Revolving Cash Funds	A stated amount of money used primarily for emergency or small or sundry disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.
ROC/P	Regional Occupational Center or Program. A vocational educational program for high school students and adults. An ROC/P may be operated by a single district, by a consortium of districts under a joint powers agreement (JPA), or by a county office of education for the districts within the county.
Senate Bill (SB) 90	1. SB 90/1972, which established the revenue limit system for funding school districts. The first revenue limit amount was determined by dividing the district's 1972-73 state and property tax income by that year's ADA. This original per-ADA amount became the historical base for all subsequent revenue limit calculations. 2. SB 90/1977, which required that the state reimburse state-imposed mandates on local governments.
Senate Bill (SB) 813	Reference to Senate Bill 813/1983 that provided a series of education "reforms" in funding calculations. Longer day, longer year, mentor teachers, and beginning teacher salary adjustments are a few of the programs implemented by this 1983 legislation.
Secured Roll	That portion of the assessed value that is stationary, i.e., land and buildings. See also *Unsecured Roll*. The secured roll averages about 90% of the taxable property in a district.
Serrano Decision	In 1974, the California Superior Court in Los Angeles County ruled in the *Serrano v. Priest* case that school district revenues in California depended so heavily on local property taxes that students in districts with a low assessed value per pupil were denied an equal educational opportunity in violation of the "Equal Protection" clause of the California Constitution. This ruling established certain standards under which the school finance system would be constitutional and was upheld by the California Supreme Court in 1976. In 1983, the California Superior Court in Los Angeles County ruled that the system of school finance in effect at that time was in compliance with the earlier Court order. After several appeals, in March 1989, all of the plaintiffs in the case agreed to dismiss their legal challenges, thereby settling *Serrano* as a legal issue.

State School Fund	Each year the state appropriates money to this fund, which is then used to make state aid payments to school agencies. Section A of the State School Fund is for K-12 education and Section B is for community college education.
Subventions	The term used to describe assistance or financial support, usually from higher governmental units to local governments or school agencies. State aid to school agencies is a state subvention.
Sunset	The termination of a categorical program. A schedule is in current law for the Legislature to consider the "sunset" of most state categorical programs. If a program sunsets under this schedule, the funding for the program shall continue for the general purposes of the program, but the specific laws and regulations shall no longer apply.
Supplemental Roll	An additional property tax assessment for properties that are sold or newly constructed that reflect a higher market value than on their prior lien date. By taxing this increase in assessed value immediately—rather than waiting until the next lien date—additional property taxes are generated.
Test 1/Test 2/Test 3	See *Proposition 98*.
Transitional Kindergarten (TK)	A developmentally appropriate program offered to children (at ages 4 or 5) that are too young to start Kindergarten in that year. Essentially, California offers a two-year Kindergarten program.
Unencumbered Balance	That portion of an appropriation or allotment not yet expended or obligated.
Unsecured Roll	That portion of assessed property that is movable, such as boats, planes, etc.
Waivers	Permission from the State Board of Education—or, in some cases, from the Superintendent of Public Instruction—to set aside the requirements of an Education Code provision upon the request of a school district. See Education Code Section 33050.