

FINANCIAL REVIEW WORKSHOPS

June 2009

Items to be Covered

- Charter System Grants
- Increase in TRS employer rate
- Dual Enrollment
- Equalization
- Graduation Coaches
- Pupil Transportation
- School Nurses

Items to be Covered

- RESAs
- Salary Schedule
- National Board Certification
- Classroom Supply Card
- QBE Formula Reduction (Austerity)
- Health Insurance
- Expenditure Controls
- Capital Outlay Entitlement

Items to be Covered

- Financial Reporting and Deadlines
- Completion Report Changes
- SB 44
- ARRA

Charter Systems

- Charter Systems were funded
- Currently 4 systems have been approved to be Charter Systems
- OCGA 20-2-165.1
- 3.785% of the base amount for each FTE student in each school within the charter system (Base amount for FY 2009 is \$2,599.16)
- Program Code 1638

TRS Employer Rate

- The employer matching rate increased from 9.28% to 9.74% effective July 1, 2009.
- The employee rate is increased from 5% to 5.25%.

Dual Enrollment

- FY 2010, Dual Enrollment funding at \$161.44 per segment
- No funding in FY 2009

Equalization

- No change to the formula
- Total funding limited to \$436 million
- \$112 million less than the FY 2009 funding level
- Allocations were prorated based on the funding level

Graduation Coaches

- FY 2010, all funds and activities transferred to QBE - \$49,225,901
- Offset to Austerity Reduction

Transportation Funds

- Pupil Transportation level of funding was reduced by an additional 1.5% in FY 2010
- The total appropriated is \$168,378,905

School Nurses

- In FY 2010, School Nurses were not eliminated
- Funding level reduced by 3% (\$900,000)
- Total appropriations \$29,100,000

RESAs

- FY 2010 Funding for RESAs was not rolled into QBE
- They will still receive their funding directly from GaDOE (Same as in the past)
- Funding was reduced by 3%

Salary Schedule

- No change to the State Salary Schedule – same as FY 2009
- Starting Salary for a T4 certificate is \$33,424
- T&E was still funded in the QBE formula
- **Must** give the state step raise as according to the State Salary Schedule
- Any reduction in local salary schedules must be in accordance with OCGA 20-2-212(b)
- Furloughs? - Consult your local attorney

National Board Certification

- FY 2009: Final funding at 9.2% instead of 10%
- FY 2010: Program funding was reduced by \$5 million to a total of \$7,209,486 state wide.
41.36% reduction in funding

Classroom Supply Card

- Better known as the “Teacher Gift Card”
- Funding was eliminated
- There will not be any cards sent to districts this summer
- There is not an expectation that the districts provide cards to their teachers
- Sales Tax Holiday July 30 – August 2



QBE Formula Reduction (Austerity)

| Description | Amount |
|--|------------------------|
| Original FY 2009 | (\$92,959,815) |
| FY 09 Enhancement Reduced | (\$50,000,000) |
| FY 09 Reduction of 2% | (\$135,799,719) |
| FY 09 Additional Reduction of 1.4% | (\$95,317,456) |
| June Adjustment (funded by ARRA Stabilization funds) | (\$121,399,305) |
| Total State QBE Formula Reduction | (\$495,723,827) |

QBE Formula Reduction (Austerity)

| DESCRIPTION | AMOUNT |
|--|------------------------|
| Original FY 2009 | (\$92,959,815) |
| FY 09 Enhancement Reduced | (\$50,000,000) |
| FY 2010 Reduction of 2.1% | (\$147,202,564) |
| Additional FY 2010 reduction (to be funded with ARRA Stabilization funds) | (\$413,145,927) |
| Graduation Coach Addback | \$49,225,901 |
| Total State QBE Formula Reduction (Initial FY 2010) | (\$654,082,045) |
| ARRA Federal Stabilization Funds | \$413,145,927 |
| Net Austerity and ARRA Stabilization Funds | (\$240,936,478) |

Health Insurance

- The QBE formula and the Appropriations Act contains a rate of 18.534% for certified personnel
- DCH is going to a “Direct Bill”
- The employer match would be a fixed dollar amount for each employee depending on coverage selected
- This would be a blended rate between certified and non-certified
- Effective January 2010 (December Payroll)

Health Insurance

- Also, the funds that the GaDOE pays directly to DCH (the On-Behalf Payments for health insurance) would be distributed to each district
- For FY 2010, that amount is \$82,216,077
- The payments to the districts would start in December 2009

Health Insurance

- FY 2009 saw a variety of rates:
 - July through January – 18.53%
 - February - 8.579%
 - March through May - 3.688%
 - June 0.000%

Expenditure Controls FY 2009 & 2010

- SB 178 was vetoed by the Governor
- Expenditure controls will revert back to controls originally in place

Expenditure Controls FY 2009 & 2010

- **TEST 3 - 100%** of the Direct Instruction QBE Earnings, Salary and Operating, must be expended for Direct Instruction in the System
- **TEST 4 - 100%** of the funds designated for Media Center Costs at the System Level

Expenditure Controls FY 2009 & 2010

- **TEST 5 – 100%** of Staff and Professional Development Earnings must be expended for Staff and Professional Development costs at the system level.
- **TEST 8 - 100%** of 20 Additional Day funds must be expended, up to 15% of earnings allowed to be expended for Function 2700 expenditures

Capital Outlay Entitlement

- Regular and Growth - Funded at the 80% level
- Low Wealth and Advanced Funding – Funded at 100%

Chart of Accounts Updates

- Balance Sheet

Chart of Accounts Updates

- **Fund 599 Charter Schools (Start-up)**
 - Change Fund 599 from a permanent fund to a special revenue fund for recording start-up charter schools. This would facilitate including them as a component unit
- **Fund 598 Fiscal Agent**
 - Change Fund 598 from a permanent fund to a special revenue fund for recording accounts where the local board is the fiscal agent and the fund needs to be shown as a component unit

Chart of Accounts Updates

- Expenditures
 - Object 196 – Salaries for Voluntary/Retirement Incentives
 - Payments to encourage employees to retire or leave employment. Must be paid from local funds, can not be charged to federal or state grants. Will be excluded in calculation for indirect costs. This is different than Object 195, Terminal Leave payments.

Chart of Accounts Updates

- Expenditures
 - Object 340 – Professional Legal Services
 - Payments made to lawyer and attorneys, including retainer fees for services to be rendered. Does not include board employees. These should be recorded under object code 151.

Chart of Accounts Updates

- Program Code
 - 1638 - Charter System Grant

| ARRA Grants | CFDA No | Fund | Program | Revenue Source Code |
|--|----------------|-------------|----------------|----------------------------|
| State Stabilization | 84.394A | 100 | 4110 | 4521 |
| for Special Education Expenditures | | 100 | 4120 | |
| for Vocational Educational | | 100 | 4130 | |
| EDUCATION FOR THE DISADVANTAGED | | | | |
| Title I - Grants to LEAs | 84.389A | 402 | 4210 | 4521 |
| Title I - School Improvement (1003G) | | 402 | 4215 | 4521 |
| STUDENTS WITH DISABILITIES | | | | |
| IDEA - Title VI, B | 84.391A | 404 | 4220 | 4521 |
| IDEA - PreSchool | 84.392A | 404 | 4225 | 4521 |
| OTHER GRANTS | | | | |
| School Lunch Equipment | 10.579A | 600 | 4260 | 4521 |
| Impact Aid (Section 8007) | 84.404A | 390 | 4310 | 4822 |

Indirect Cost

- The FY 2010 Indirect Cost rates have been finalized and are available in the Financial Review application in the portal.

Indirect Cost

Budget System Level Reports For Fiscal Year Ending June 30,2009 :

System Level Reports :

[FIN010 Budget Analysis Report](#)

[FIN011 General Fund QBE Program Expenditure Summary Report \(Budget\)](#)

[FIN012 General Fund QBE Program Expenditure Detail Report\(Budget\)](#)

[FIN013 Budget Expenditure Control Failure Report](#)

Budget System Level Reports For Fiscal Year Ending June 30,2008 :

System Level Reports :

[FIN010 Budget Analysis Report](#)

Other Reports:

[Basic Financial Reports](#)

[Minimum Direct Classroom Expenditure Reports](#)

[Financial Comparison Reports](#)

[Austerity Adjustment / Amended Formula Adjustment Menu](#)

[FIN002A Financial OLD Error Report before DE420A Accrual Correction](#)

[FIN0100 Superintendent, Resa Director, Technical Institute Director Actual Salaries](#)

[FIN0101 Superintendent, Resa Director, Technical Institute Director Budgeted Salaries](#)

[FIN0102 DE046 School Nutrition comparison report](#)

Indirect Reports:

[Fin Indirect Reports Menu \(2008\)](#)

[Fin Indirect Reports Menu \(2009\)](#)

[Fin Indirect Reports Menu \(2010\)](#)

Debarment and Suspension

- If a Board has a non-procurement arrangement of \$25,000 or more to have goods or services provided (grant or cooperative agreement, etc.), then the Board is also compelled to meet this requirement. The grant, cooperative agreement, memo of understanding, etc, would thus include this provision.

Debarment and Suspension

- Any procurement that would involve a contract in excess of \$100,000 (small purchases threshold) for goods or services, the Board should have documentation that the contractor is not debarred or suspended....Also, if the contractor becomes debarred or suspended while the contract is in effect, the contractor would be required to notify the Board of such. Normally, a provision of the contractual agreement would include such requirements of the contractor; however, if a Board chooses to use a special form signed by the contractor certifying to these requirements, this would be acceptable as well...


Debarment and Suspension

- Lastly, any and all subrecipients of a Board of Education would also be required to include this provision within the subgrant award.

Financial Reporting

- The Georgia Department of Audits and Accounts has a Resource web page:
- <https://www.audits.state.ga.us/ead/schooldistrictlinks.html>

Financial Reporting


The Georgia Department of
Audits and Accounts

HOME
CAREERS
CONTACTS

n a v i g a t e

Home

Careers

Contacts

Divisions

Reports

Resources

FAQ's

School District Links

Audit Resources:

- [Risk Assessment Documentation](#)
5/22/2008
- [FY 2007 Request List](#) 11/20/07
- Preparation Checklist
 - [Fund Financial Statements](#) 12/9/07
 - [District-Wide Financial Statements](#)
12/12/07
- Financial Statement Templates
 - [Fund Financial Statements](#) 12/12/07
 - [District-Wide Financial Statements](#)
12/12/07
 - [Schedule 2](#) 1/07/08
 - [Changes to Templates](#) 12/12/07
- [Review Checklist](#) 11/20/07
- [Notes to the Financial Statements 2007 Version](#) 11/16/07

Resources:

- [New Salary And Travel Job Codes/Descriptions](#)
- [File Specifications \(For Submitting Financial Reports\)](#)
- [Financial Reporting](#)
- [Tax Confirmation Forms](#)
- [Statement of Actual Financial Operations Form](#)

Technical Assistance

- [2007 GASBO Presentation](#)
- [Why Do We Need Strong Internal Controls? Handout](#)
- [2008 GAINS Presentation](#)

Current Issues:

- SAS 112

HOME · PRIVACY · CAREERS · MAP · CONTACTS | Copyright © 2003 DOAA. All rights reserved.

Notes for FY 2009 Data Collection

- Please save pdf reports from the collection to your local hard drive
- Please save Sign-off pdf report

Notes for FY 2009 Data Collection

- CS1 due to State Auditors is transmitted directly to state auditors through their portal.
- GaDOE will share DE46 files with state auditors
- Depreciation should not be recorded in Governmental Funds

Deadlines

- **FY 2009 Financial Report** (Including Final Formula Adjustment Report)
 - September 01, 2009 Initial Transmission
 - September 30, 2009 Final Transmission Deadline for Superintendent's Sign-off
 - Includes Austerity breakdown by program

Deadlines

- **FY 2009 Amended Budget**
 - September 01, 2009 Initial Transmission
 - September 30, 2009 Final Transmission Deadline for Superintendent's Sign-off

Deadlines

- **FY 2010 Initial Budget** (Including Initial Amended Formula Adjustment Austerity Report)
 - September 01, 2009 Initial Transmission
 - September 30, 2009 Final Transmission Deadline for Superintendent's Sign-off
 - Includes Austerity breakdown by program

Changes to GAORS Completion Reports

- The last approved budget from Consolidated Application will be loaded.
- Choose the Drop-down selection icon within the **Function** and **Object** fields, where appropriate to select the function and object code information.
- Enter the dollar amount of the expenditures within the **7/1/2008-6/30/2009 Expenditure** and the **7/1/2009-9/30/2009 Expenditure** fields where appropriate

Changes to GAORS Completion Reports

- CREATING A NEW BUDGET MANUALLY
- ENTER THE EXPENDITURES BY FUNCTION AND OBJECT

SB 44

- Such rules shall provide that, in determining whether such a preference is reasonable in any case where the value of a contract for or purchase of such supplies, materials, equipment, or agricultural products exceeds \$100,000.00, the local school district shall consider, among other factors, information submitted by the bidder which may include the bidder's estimate of the multiplier effect on gross state domestic product and the effect on public revenues of the state and the effect on public revenues of political subdivisions resulting from acceptance of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state manufactured or produced goods. Any such estimates shall be in writing. No local school district shall divide a contract or purchase which exceeds \$100,000.00 for the purpose of avoiding the requirements of this paragraph

American Recovery and Reinvestment Act (ARRA)

ARRA

- February 17, 2009 signed into law
- To create jobs in the short run and make needed investments for the long term
- GaDOE Stimulus web site
 - <http://www.gadoe.org/stimulus.aspx>

ARRA

- Spend funds quickly to save and create jobs
- Improve student achievement through school improvement and reform
- Ensure transparency, reporting and accountability
- Invest one-time ARRA funds thoughtfully to minimize the “funding cliff”

ARRA - Stabilization

- Stabilization funds are not to be considered to be state funds. The state's funding formula is used as the mechanism for distribution. They are not state funds.

ARRA - Stabilization

- Allowable Costs
 - Any activity authorized under ESEA, IDEA, Perkins, and QBE
 - Pay salaries to avoid having to lay off teachers and other school employees
 - If used for construction and modernization, must comply with Buy American guidelines and Davis Bacon Act.

ARRA - Stabilization

- **Unallowable Costs**
 - Maintenance Costs (function 2600)
 - Stadiums or other athletic facilities
 - Purchase of Vehicles
 - Improvement of stand alone facilities whose main purpose is not the education of children (central office)
 - To supplement the “rainy day” fund

ARRA - Stabilization

- Positions funded with the Stabilization fund will be eligible for T&E funding since these funds are a replacement to QBE funds

ARRA - Stabilization

- Personnel positions funded with Stabilization funds will be subject to Time and Effort requirements
- 100% to a single cost objective – can use periodic certification
- Split funded position – must keep time sheets that reflect all funds, not just federal funds

Consolidated Application

- Enter a detail budget
 - Recommended to be used on instructional salaries
 - Need to tie to jobs saved
 - Salaries must be divided into elementary, middle and high school

Consolidated Application

- Superintendent sign-off on assurances
- Process will be the same process used for QBE Professional Development funds
 - Budget will have to be approved before the funds will be released
- Will need to have someone in Finance able to access and enter budgets into the Consolidated Application

Budget Details

| | | | |
|--------------------------------------|--------------|----------------------------|--------|
| Allocation : | \$713,586.00 | | |
| Additional Allocation : | \$0.00 | | |
| Carry Over : | \$0.00 | | |
| Total Grant Award : | \$713,586.00 | | |
| Transfer Amount : | \$0.00 | | |
| Total Amount to be Budgeted : | \$713,586.00 | Un-Budgeted Funds : | \$0.00 |

State Fiscal Stabilization Funds - Budget Details

| From Program | To Program | School | Function | Object | Units | Price | Amount | Description |
|----------------------------------|----------------------------------|--------|----------|--------|-------|----------------|--------------|----------------------------------|
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 110 | 4 | \$50,000.00 | \$200,000.00 | 4 elementary teachers |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 110 | 2 | \$50,000.00 | \$100,000.00 | 2 middle school teachers |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 110 | 3 | \$50,000.00 | \$150,000.00 | 3 high school teachers |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 178 | 1 | \$60,000.00 | \$60,000.00 | one high school graduation coach |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 210 | 1 | \$113,057.00 | \$113,057.00 | health insurance on 9 employees |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 220 | 1 | \$46,000.00 | \$46,000.00 | social security for employees |
| State Fiscal Stabilization Funds | State Fiscal Stabilization Funds | | 1000 | 230 | 1 | \$44,529.00 | \$44,529.00 | teacher retirement |
| | | | | | | Total : | \$713,586.00 | |

ARRA - Quarterly Reporting

- Every grant associated with ARRA funds require an unprecedented level of transparency and accountability
- We must post reports by the 10th day after the quarter ends
- Reporting to be quarterly to include
 - The use of funds expended (summary by function)
 - Estimate of number of jobs saved or created
 - Estimate of tax increases averted
 - Description of modernization and renovation projects

FY 2009 Stabilization Funds

- \$157.9 million in Stabilization funds added to allotment sheet effective with the May QBE payment
- Austerity increased by \$121.4 million
- School systems will realize a net increase of \$36.5 million

FY 2009 Stabilization Funds

- Expenditures must be recorded against this revenue for the month of May 2009
- Can use a journal entry or earnings history transfer
 - A journal entry will not effect the reconciliation of the CS-1 to the general ledger. The CS-1 is a listing by employee, not by account number.

ARRA - Precipitous Decline

- What is Precipitous Decline?
- 1) The ability of the local school district to show that an exceptional or uncontrollable circumstance, such as a natural disaster; or
- 2) The ability of the local school district to show a precipitous decline (sharp decrease) in state and/or local resources.

ARRA - Precipitous Decline

- Documentation is the key
- The GaDOE has recommended a format to use available at <http://www.gadoe.org/stimulus.aspx> , select Title I, Part A under DISTRICT RESOURCES
- Shows which positions (not names) that would have been subject to budget cuts
- These positions would be available for moving to federal programs as long as it is still an allowable expenditure in that program

ARRA - Precipitous Decline

- The form, once completed, needs to be approved by the local board
- Copy needs to be submitted to GaDOE for use in budget approval of ARRA grants in the Consolidated Application as an attachment

ARRA - Precipitous Decline

- A word of caution to local school districts is appropriate. If a local school district transfers costs as described above and the budgeted fund balance actually increases, the transferred expenditures could be questioned especially if the amount of the increase cannot specifically be attributed to a local tax increase (increase in millage rate).

Changes to GAORS Completion Reports

- Will require reporting by function and object
- The budget in the Consolidated Application will be populated
- A variance report will be created

Changes to GAORS Completion Reports

- Log into the **MyGaDOE Web portal** with the assigned username and password combination, and select **Login**.
- Using the right scroll arrow, adjust the display so that **Grants Application → Completion Reports** displays, selecting the **Completion Reports** option.
- Select a grant

Changes to GAORS Completion Reports

- For Grants in the Consolidated Application, a budget will have to be “loaded” to pull the current budget in to the completion report

Grants Application

Grants Details:

| | | | |
|-------------------|--|-----------------|------------|
| System ID: | Appling County - 601 | Fiscal Year: | 2009 |
| Grant Name: | Title I-A, Improving the Academic Achieve. of the Disadvanta | Version No: | Original |
| Grant Start Date: | 07/01/2008 | Grant End Date: | 09/30/2009 |
| LUA Fund Code: | 402 | Status: | New |

Completion Report

- [Search](#)
[Grant Expenditures](#)
[Sub-Grant Expenditures](#)
[Contact Info](#)
[Audit Trail](#)
[Variance](#)

Load

Save

Submit

Print

Expenditure Details:

| Approved Grant | Funds Received / Requested | 7/1/2008-6/30/2009 Expenditures | 7/1/2009-9/30/2009 Expenditures | Total Expenditures | Received Amount (Cash Shortage) | Variance |
|----------------|----------------------------|---------------------------------|---------------------------------|--------------------|---------------------------------|----------|
| \$1,259,208.00 | \$628,565.47 | \$0.00 | \$0.00 | \$0.00 | (\$628,565.47) | 0% |

Grant Budget

| Function | Object | Amount Budgeted | 7/1/2008-6/30/2009 Expenditures | 7/1/2009-9/30/2009 Expenditures |
|----------|--------|-----------------|---------------------------------|---------------------------------|
| | | 0 | | 0 |

Add

Cancel

ARRA - Schoolwide

- The USDE has issued guidance that the Title I ARRA funds may be included in the school-wide consolidation of funds, but you are still required to account for the funds for reporting purposes separately

ARRA - Schoolwide

- The GaDOE issued guidance that if you consolidate Title I regular funds, then you must consolidate the Title I ARRA funds
- The monthly redistribution of Fund 400 would be as normal, except for the ARRA funds
- This would require the distribution to be by function and object and not through Function 1000, object 881.

Questions? and Answers

Contact Information

- John Dunn
- Georgia Department of Education
- 1652 Twin Towers East
- 205 Jesse Hill Jr. Drive, SE
- Atlanta, GA 30334
- 404-656-2447

Contact Information

- Atlanta (404-656-2447)
 - Russell Swindle - rswindle@doe.k12.ga.us
 - Steve Lyle – syle@doe.k12.ga.us
- LaGrange (706-882-2340)
 - Del Parker – dparker@doe.k12.ga.us
- Moultrie (229-891-7203)
 - Len Thompson – lthompso@doe.k12.ga.us
- Naylor (229-241-9915)
 - Rhonda Metts – rmetts@doe.k12.ga.us