



Santa Clara County Office of Education

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County Superintendent of Schools

1290 Ridder Park Drive, San Jose, CA 95131

# Fiscal Year End Closing Reference Guide

DISTRICT BUSINESS AND ADVISORY SERVICES



FY 2012-13

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## Introduction

This document was prepared to assist the Local Educational Agencies (LEAs) with the year- end closing process. The manual is divided into different sections, which are organized by specific topics, so that the district personnel with different closing responsibilities can easily refer to the material in their area. The material was prepared with intent to address comprehensive fiscal year end accounting processes. Most of the procedures and necessary steps are required for closing and reporting from the Quintessential School Systems (QSS) will be provided by the Technology Services Branch. Whenever appropriate, sample journal entries, appendices, and website links are presented to provide more detailed information and further demonstrate various accounting concepts.

We hope you find this material helpful. If you have any questions during the year-end closing process, you may contact any of the following individuals for their respective expertise:

## Contact Listing

#	District Name	Advisor		Phone	Accountant	Phone	Accounting Specialist	Phone
4	Alum Rock	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Tami Camarena	453-6619
7	Berryessa	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Emanuel Cardenas	453-6606
8	Cambrian	Jason	Vann	453-6576	Jemil Demaya	453-6590	Judy Najera	453-6661
9	Campbell Elem	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Amrita Bhatti	453-6607
51	Campbell Union High	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Tami Camarena	453-6619
10	Cupertino Union	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
52	East Side Union High	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Emanuel Cardenas	453-6606
66	East Valley JPA	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
12	Evergreen	Jason	Vann	453-6576	Jemil Demaya	453-6590	Judy Najera	453-6661
71	Foothill-DeAnza	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
13	Franklin-McKinley	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
53	Fremont Union High	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Amrita Bhatti	453-6607
72	Gavilan Joint	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
83	Gilroy Unified	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Emanuel Cardenas	453-6606
17	Lakeside Joint	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Emanuel Cardenas	453-6606
19	Loma Prieta	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Rachelle Herrera	453-6608

## Contact Listing

#	District Name	Advisor		Phone	Accountant	Phone	Accounting Specialist	Phone
20	Los Altos	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Amrita Bhatti	453-6607
56	Los Gatos - Saratoga	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Tami Camarena	453-6619
21	Los Gatos Union	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Rachelle Herrera	453-6608
22	Luther Burbank	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
62	Metro Ed	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
85	Milpitas Unified	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Emanuel Cardenas	453-6606
26	Moreland	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
84	Morgan Hill Unified	Jason	Vann	453-6576	Jemil Demaya	453-6590	Judy Najera	453-6661
28	Mt. Pleasant	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Amrita Bhatti	453-6607
57	Mtn. View - Los Altos	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Rachelle Herrera	453-6608
29	Mtn. View Whisman	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Rachelle Herrera	453-6608
63	North County ROP	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
30	Oak Grove	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
31	Orchard	Jason	Vann	453-6576	Jemil Demaya	453-6590	Judy Najera	453-6661
81	Palo Alto Unified	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Tami Camarena	453-6619
82	San Jose Unified	Jason	Vann	453-6576	Jemil Demaya	453-6590	Janie Huang	453-6614
76	San Jose/Evergreen	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
88	Santa Clara Unified	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Rachelle Herrera	453-6608
36	Saratoga Union	Jenina	Salcedo	453-6594	Emma Eclevia	453-6673	Tami Camarena	453-6619
90	SCCOE	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
64	Silicon Valley JPA	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
37	Sunnyvale	Kolvira	Chheng	453-6510	Yen Lam	453-6772	Amrita Bhatti	453-6607
39	Union	Jason	Vann	453-6576	Jemil Demaya	453-6590	Judy Najera	453-6661
61	W. Valley Trans	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610
75	West Valley-Mission	Ann	Redd-Oyedele	453-6593	Anita Maharaj	453-6617	Laurie Sholl	453-6610

We wish everyone a smooth year-end closing process. If there is anything we can do to assist, please do not hesitate to contact us: Cathy McKim at (408) 453-6588 [Cathy\\_McKim@sccoe.org](mailto:Cathy_McKim@sccoe.org) or Nimrat Johal at (408) 453-6599 [Nimrat\\_Johal@sccoe.org](mailto:Nimrat_Johal@sccoe.org)

## SCCOE 2012-13 FISCAL Year End Close Calendar

June 2013							June	
S	M	T	W	T	F	S		
						1	27	3:00pm Last day to enter A/P Batches for FY 12-13
2	3	4	5	6	7	8		3:00pm Last day to cancel A/P warrants for FY 12-13
9	10	11	12	13	14	15		11:45am Cutoff for FY 12-13 Deposits made to the County Treasury Division (70 W. Hedding)
16	17	18	19	20	21	22		Last day for FY 12-13 Deposits to be made at SCCOE and Bank of America
23	24	25	26	27	28	29	28	10:00am FY 12-13 A/P Warrants Available for Pickup
30								
July 2013							July	
S	M	T	W	T	F	S		
	1	2	3	4	5	6	1	FY 13-14 A/P Module available
7	8	9	10	11	12	13	2	10:00am FY 13-14 A/P warrants available for pick up
14	15	16	17	18	19	20	4	<b>Holiday – SCCOE Closed</b>
21	22	23	24	25	26	27	11	5:00pm Last Cash Transfers between SACS funds (Dated 6/30/13) Last Cash Transfers for deposit allocations for FY 12-13
28	29	30	31				31	5:00pm Cash Balance by Fund, Interest by Fund and Cash Reconciliations provided to Districts from SCCOE
August 2013							August	
S	M	T	W	T	F	S		
				1	2	3	8	5:00pm Last day SCCOE to post transactions to FY 12-13 Exceptions after this date will be clearly communicated to the CFO
4	5	6	7	8	9	10	16	5:00pm SCCOE to distribute BI & R Information to Districts
11	12	13	14	15	16	17	30	5:00pm Last District Journal Entries for FY 12-13 (Dated 6/30/13)
18	19	20	21	22	23	24		<b>Important Note: (TSB will not be generating Fiscal Year End Reports unless otherwise notified by the District on this date. Contact the TSB Helpdesk at 408.453.6748 or <a href="http://accesspoint.scoe.org/">http://accesspoint.scoe.org/</a>)</b>
25	26	27	28	29	30	31		
September 2013							September	
S	M	T	W	T	F	S		
1	2	3	4	5	6	7	13	5:00pm FY 12-13 Financial Reports Distributed to Districts <b>by request only</b> . See important Note on August 30 <sup>th</sup> .
8	9	10	11	12	13	14	16	5:00pm Unaudited Actuals (Financial Reports) and DAT Files due to the SCCOE
15	16	17	18	19	20	21		5:00pm Gann Limit Resolution due to the SCCOE
22	23	24	25	26	27	28	30	5:00pm FY12-13 Ending Balances to be rolled into FY 13-14 Beginning Balances
29	30							

## Training and Workshops

<b>Date</b>	<b>Time</b>	<b>Class Title</b>	<b>Register By</b>
2-May	1:30 – 4:30 pm	QCC Position Control Fiscal Year End Processing	26-Apr
10-May	9:00 – 12:00 pm	Fiscal Year End Closing Workshop	30-Apr
10-May	1:00 – 3:00 pm	QCC Financial FYE (AP, PO & Non-Invoice AR)	1-May
14-May	1:00 – 4:00 pm	QCC Invoice and Billing (AR) Year End Close	10-May
30-May	10:00 – 11:00 am	QCC Stores (Webinar)	24-May
24-June	1:30 – 3:00 pm	QCC Payroll Fiscal Year End Training	15-May
11-July	1:30 – 4:30 pm	QCC Absence Tracking	5-May
<b>Register for all QCC Classes on AccessPoint: <a href="http://accesspoint.scoe.org/">http://accesspoint.scoe.org/</a></b>			

## Year-End Closing Checklist

<b><i>PRE-CLOSING</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<input type="checkbox"/> Establish an Internal Fiscal Year-End Close Calendar	<ul style="list-style-type: none"> <li>• Cutoff date for submission of purchase orders</li> <li>• Date of physical inventory</li> <li>• Date for close-out of petty cash funds</li> <li>• Final date for warehouse distributions</li> <li>• Date for the submission of reimbursement claims</li> <li>• Date for running the open purchase order listing to determine which POs need to be accrued and which ones need to be cancelled</li> <li>• GASB 34 procedures in the year-end calendar in order to allow time for completion to meet the required timeline for the audit report to be issued</li> </ul>	June
<input type="checkbox"/> Establish a School Site Fiscal Year-End Calendar with deadlines		
<input type="checkbox"/> Identify tasks to be completed		
<input type="checkbox"/> Assign staff		
<input type="checkbox"/> Opening balances agree with ending balances on prior year SACS forms	<ul style="list-style-type: none"> <li>• Review General Ledger</li> </ul>	
<b><i>Prior Year Items (FY 11-12) reconciled/cleared/posted</i></b>	Reconcile all Fiscal Year 11/12 Entries (Prior Year). The following items should have been resolved earlier this fiscal year; however, it is important to ensure that all prior year transactions in 12/13 have been reconciled	
<input type="checkbox"/> 9209, 9210 – Accounts Receivable	<ul style="list-style-type: none"> <li>• Reconcile all 11/12 Accounts Receivable closing items on balance sheet.</li> <li>• If payments were not received, follow-up with the granting agency or customers for payment status. If balances need to be carried forward, maintain supporting documentation.</li> </ul>	

<b>PRE-CLOSING</b>	<b>Activity</b>	<b>Target Date</b>
<b>Prior Year Items (FY 11-12) reconciled/cleared/posted</b>		
<input type="checkbox"/> 9510, 9516– Accounts Payable	<ul style="list-style-type: none"> <li>• Reconcile all 11/12 Accounts Payable closing items on balance sheet</li> <li>• Verify that accounts payable for goods and services are paid. If balances need to be carried forward, maintain supporting documentation</li> </ul>	
<input type="checkbox"/> 9330 – Prepaid Expenditures	<ul style="list-style-type: none"> <li>• Reconcile and expense 11/12 Pre-Paid Expenditures; CSAM, Procedure. 420</li> </ul>	
<input type="checkbox"/> 9310 – Due From Other Funds	<ul style="list-style-type: none"> <li>• Reconcile 11/12 Due From Other Funds with Due To Funds</li> </ul>	
<input type="checkbox"/> 9610 – Due to Other Funds	<ul style="list-style-type: none"> <li>• Reconcile 11/12 Due To with Due From Other Funds</li> <li>•</li> </ul>	
<input type="checkbox"/> 9650 – Deferred Revenue	<ul style="list-style-type: none"> <li>• Reverse 11/12 Deferred Revenue</li> </ul>	
<b>Audit Findings for 11/12</b>	<ul style="list-style-type: none"> <li>• In accordance with Education Code (EC) Sections 41020 through 41020.8, all school districts are required to file their annual audit reports for the preceding year no later than December 15<sup>th</sup> with the Santa Clara County Superintendent of Schools (County Superintendent), the California Department of Education (CDE) and the State Controller’s Office (SCO).</li> <li>• On or before January 12<sup>th</sup>, the Governing Board of every LEA must have reviewed the prior year audit report, exceptions, adjustments made, and plan of correction (EC Section 41020.3).</li> </ul>	
<b>GENERAL LEDGER TRANSACTIONS</b>		
<input type="checkbox"/> Review a detailed revenue history report from the financial system (the revenue subsidiary ledger) and determine:	<ul style="list-style-type: none"> <li>• All revenue is properly classified</li> <li>• Revenue receipts are on target with expected receipts</li> </ul>	



<b>PRE-CLOSING</b>	<b>Activity</b>	<b>Target Date</b>
<b>Prior Year Items (FY 11-12) reconciled/cleared/posted</b>		
<input type="checkbox"/> Review the balance sheet for all funds to determine if there are any potential problems		
<input type="checkbox"/> Has a calendar of report deadlines been received from the State?		
<input type="checkbox"/> Has a calendar of report deadlines been received from the County?		
<input type="checkbox"/> Has a master calendar listing all appropriate dates been prepared?		
<b>CLOSING FY 12/13</b>		
<b>CASH:</b>		
<input type="checkbox"/> Prepare reconciliations for all cash accounts as of June 30 and obtain copies of the reconciliations if not prepared by the District Office. Prepare journal entries to adjust the cash accounts in the books to the cash per reconciliations	Cash Accounts <ul style="list-style-type: none"> <li>• Cash in County Treasury</li> <li>• Cash in Bank</li> <li>• Cash in Clearing Account</li> <li>• Revolving Cash</li> <li>• Cash With Fiscal Agent</li> <li>• ASB Cash</li> </ul>	
<input type="checkbox"/> Count all cash on hand as of June 30 and prepare the appropriate journal entries		
<input type="checkbox"/> 9110 – Cash (Positive Balance) in all funds	<ul style="list-style-type: none"> <li>• Anticipate internal borrowing? (EC 42603)</li> </ul>	
<b>INVENTORY:</b>		
<input type="checkbox"/> Count all material inventories as close to June 30 as possible		
<input type="checkbox"/> Prepare and post adjusting entries to bring the books into agreement with the physical count		
<b>OTHER ASSETS:</b>		
<input type="checkbox"/> Prepare and post adjusting entries for prepaid expenditures		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>ACCOUNTS RECEIVABLES:</b>		
<input type="checkbox"/> Prepare and post the adjusting entries for the revenue limit, special education, adult education, restricted programs and revenue related to services performed or use of facilities provided before June 30		
<input type="checkbox"/> Determine if mandated cost revenues have been received in July or August; if yes, prepare and post entries for the accounts receivable		
<input type="checkbox"/> Based on notices received for Lottery, prepare and post the fourth quarter Lottery revenues using the Annual ADA		
<input type="checkbox"/> Determine if an accounts receivable has been set up for all outstanding billings/invoices such as facilities use, rents and leases, unpaid fees, amounts due from outside organizations, etc.		
<b>ACCOUNTS PAYABLE:</b>		
<input type="checkbox"/> Accrue any payrolls paid in July or August for work performed prior to June 30		
<input type="checkbox"/> Accrue all benefits related to salary accruals		
<input type="checkbox"/> Review an open purchase order list and accrue all items that have been received or services rendered by June 30		
<input type="checkbox"/> Accrue amounts for utility services unpaid as of June 30		
<b>LONG –TERM FINANCING:</b>		
<input type="checkbox"/> Determine that all new debt instruments have been properly included in the long-term debt Form Debt for the period ending June 30		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<input type="checkbox"/> Accrue amounts for legal claims that can be estimated and are probable (only if the claim is not covered entirely by insurance) as of June 30		
<input type="checkbox"/> Determine that all payments have been recorded as “debt service payments” and split appropriately for debt payments and interest		
<b>PERS Recapture:</b>		
<input type="checkbox"/> Prepare and post the entries for the PERS recapture		
<b>INDIRECT COSTS:</b>		
<input type="checkbox"/> Prepare a worksheet to record indirect costs and post the entries to all applicable programs. Verify that the program allows indirect costs and whether there is a limit on the allowable percentage		
<b>CATEGORICALS:</b>		
<input type="checkbox"/> Review and verify balances by resource in all funds to ensure they are balanced appropriately		
<input type="checkbox"/> Prepare the CAT Form in the SACS software		
<input type="checkbox"/> Review the CAT Form versus system reports for accounts receivable, deferred revenue, accounts payable, restricted ending balance and make any necessary journal entries in the financial system		
<b>INTERPROGRAM AND INTERFUND TRANSFERS:</b>		
<input type="checkbox"/> Review the operating transfers and the transfer for the direct costs to assure that the transfers are balanced between programs and funds and net to zero		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>ADULT EDUCATION:</b>		
<input type="checkbox"/> Prepare and post the entries to adjust the revenue limit to Annual ADA		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Count all material inventories as close to June 30 as possible		
<b>CAFETERIA FUND:</b>		
<input type="checkbox"/> If the district is involved in the Meals for Needy program and chooses to transfer this revenue to the Cafeteria Fund, prepare and post the entries		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Count all material inventories as close to June 30 as possible		
<input type="checkbox"/> Prepare and post adjusting entries to bring the books into agreement with the physical count		
<input type="checkbox"/> Determine if donated commodities have been properly identified and the accounting is accurately reflected in the accounting system		
<input type="checkbox"/> Prepare and post the accrual for the remaining federal and state reimbursements for the child nutrition programs based on monthly claim reports		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>CHILD DEVELOPMENT FUND:</b>		
<input type="checkbox"/> Determine if all grants are accounted for in the Child Development Fund and included on the CAT form		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Prepare and post the entry for the state apportionment for deferred maintenance		
<b>DEFERRED MAINTENANCE FUND:</b>		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review the General Ledger reports to ensure positive cash		
<b>BUILDING FUND:</b>		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Review all leases, rental contracts, and sales agreements to determine if any accounts receivable should be set up		
<input type="checkbox"/> Analyze all construction projects to determine if liabilities should be recorded for work completed by June 30		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>CAPITAL FACILITIES:</b>		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> If applicable, ensure that the 3% administrative fee has been posted		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<b>COUNTY SCHOOL FACILITY FUND:</b>		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Determine that any reports to the state are filed on time		
<b>SELF-INSURANCE FUND:</b>		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Ensure that all transfers are completed before June 30		
<input type="checkbox"/> Make sure that the IBNR liability has been adjusted, if necessary		
<b>RETIRES BENEFITS FUND:</b>		
<input type="checkbox"/> Ensure that a formal "Trust Agreement" has been established prior to using the fund		
<input type="checkbox"/> Ensure that all cash reconciliations have been completed		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>RETIRES BENEFITS FUND:</b>		
<input type="checkbox"/> Review General Ledger reports to ensure positive cash		
<input type="checkbox"/> Ensure that all transfers for retiree benefits are completed before June 30		
<b>WARRANTS PASS-THROUGH:</b>		
<input type="checkbox"/> Reconcile this fund to ensure that the Fund is in balance. If not, prepare any necessary journal entries and post to the financial system		
<b>PAYROLL A/P CLEARING FUND:</b>		
<input type="checkbox"/> Reconcile this fund to ensure that the Fund is in balance. If not, prepare any necessary journal entries and post to the financial system		
<b>GASB 34:</b>		
<input type="checkbox"/> Establish written accounting policies for capitalization threshold, if not already established		
<input type="checkbox"/> Develop written policies and procedures for estimated useful lives, if not already established		
<input type="checkbox"/> Verify beginning balances for long-term debt as of July 1 of the current year against the ending balances in the prior year		
<input type="checkbox"/> Determine what funds will be reported as a Major Fund along with the General Fund (spreadsheet available in SACS software)		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>GASB 34:</b>		
<input type="checkbox"/> Prepare a long-term debt schedule that will include all the applicable entries for GASB 34. For example:	<ul style="list-style-type: none"> <li>• Capital Lease</li> <li>• General Obligation Bonds</li> <li>• Issuance cost associated with Debt (Discount, Premium, etc)</li> <li>• State School Building Loan</li> <li>• Certificates of Participation (COP)</li> <li>• Compensated Absences (By Function)</li> <li>• Other Postemployment Benefits (GASB 45, etc.)</li> </ul>	
<input type="checkbox"/> Run reports from the fixed asset system (i.e. financial system, spreadsheet, stand-alone software application) that ties back to the financial reports for the 6000 objects and Function 8500 for additions and deletions that will be or have been capitalized and depreciated. Include depreciation amounts in reports		
<input type="checkbox"/> Determine who is responsible within the organization to prepare and complete the Management Discussion and Analysis (MD&A). Determine a timeline for developing the MD&A in advance of when it is required for inclusion and presentation in the annual audit report.		
<input type="checkbox"/> Include GASB 34 procedures in the year-end calendar in order to allow time for completion of the required timeline for the audit report to be issued in the required format. All departments that will be required to provide data should be included in meetings and communication regarding the year-end deadlines and process.		



<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> 9599 – SCCOE Liability Transfers	<ul style="list-style-type: none"> <li>• Clear Items to date</li> </ul>	
<input type="checkbox"/> Revenues received properly classified		
<input type="checkbox"/> Revenues received on track with expectations		
<input type="checkbox"/> Review expenditures for program compliance		
<input type="checkbox"/> Clean up coding errors such as incorrect object, function, etc.		
<input type="checkbox"/> Download SACS2013 and SACS 2013ALL Software from CDE Website	<ul style="list-style-type: none"> <li>• Complete all SACS Forms</li> <li>• SACS 2013: available early May 2013</li> <li>• SACS 2013ALL: available early July 2013</li> </ul>	
<input type="checkbox"/> Run Technical Review Checklist	<ul style="list-style-type: none"> <li>• Correct fatal errors; explain warnings</li> </ul>	
<input type="checkbox"/> Physical Inventory taken	<ul style="list-style-type: none"> <li>• Establish a firm cutoff date/time for Receiving items into the Warehouse</li> <li>• Establish a firm cutoff date/time for Issuing items from the Warehouse</li> <li>• Receive all Orders into your perpetual inventory system</li> <li>• Issue all items into your perpetual inventory system</li> <li>• Print a count sheet of all items within your inventory</li> <li>• Take a physical count of items on hand in your warehouse</li> <li>• Upon completion of the warehouse physical accounting activity, the quantities should be entered into your perpetual inventory system and reconciled for discrepancies</li> <li>• All discrepancies must be resolved</li> <li>• Districts on the SCCOE QSS system should notify TSB for closing deadlines</li> </ul>	June 28

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> Assets added/removed from inventory		
<input type="checkbox"/> Adjust stores to match physical count		
<input type="checkbox"/> 5710/5750	<ul style="list-style-type: none"> <li>• Confirm that Inter-fund Transactions of Direct Costs are balanced</li> </ul>	
<input type="checkbox"/> 7619/8919	<ul style="list-style-type: none"> <li>• Confirm that Other Authorized Inter-fund Transfers Out/Other Authorized Inter-fund Transfers In are balanced</li> </ul>	
<input type="checkbox"/> Set up Accounts Receivable Accruals for Revenue that has been earned but not yet received		
<input type="checkbox"/> Post 3rd Quarter Lottery accruals and all other accruals		
<input type="checkbox"/> Set up Accounts Payable Accruals for supplies that have been received or services that have been performed but have not been paid		
<b>INDIRECT COSTS</b>		
<input type="checkbox"/> Book indirect costs; ensure that all programs that are exempt from indirect have not been charged indirect		
<b>PURCHASING</b>		
<input type="checkbox"/> Review all outstanding purchase orders		
<input type="checkbox"/> If order is not received but still wanted – roll purchase order to FY 13/14		
<input type="checkbox"/> If order is not received and not wanted – cancel purchase order		
<input type="checkbox"/> If order is received but unpaid, pay prior to A/P warrant cutoff date or Accrue as Accounts Payable Liability		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<b>REVOLVING CASH</b>		
<input type="checkbox"/> Reconcile and Replenish Revolving Cash		
<b>CLOSING FUNDS OR RESOURCES</b>		
<input type="checkbox"/> Board Resolution sent to DBAS		
<input type="checkbox"/> DBAS will process request to inactivate Funds		
<input type="checkbox"/> Fund Balances must equal zero prior to closing.		
<input type="checkbox"/> Normal accounting entries to transfer balances would include:	<ul style="list-style-type: none"> <li>• Fund/Resource being closed: Debit to Other Authorized Inter-Fund Transfers Out (7619) Credit to Cash (9110)</li> <li>• Fund/Resource balances that are being transferred to: Debit to Cash (9110) Credit to Other Authorized Inter-Fund Transfers in (8919)</li> </ul>	
<input type="checkbox"/> Alternative – Restate the Beginning Balance	<ul style="list-style-type: none"> <li>• Districts may choose to the “Restatement to Beginning Balance (Object 9795) to close out a fund or resource when the object used in the correction cannot pass the SACS validation. The District’s auditors should be notified when districts employ the restatement method to close out a fund or resource.</li> </ul>	
<input type="checkbox"/> Districts will post 4 <sup>th</sup> Quarter Lottery Accrual	<ul style="list-style-type: none"> <li>• Reminder: 4<sup>th</sup> Quarter Lottery is based on the 11/12 annual ADA</li> <li>• Record Revenue in Object 8560</li> <li>• Restricted and Unrestricted portions must be distinguished</li> </ul>	

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> DBAS Will post <ul style="list-style-type: none"> <li>• Revenue Limit A/P, A/R</li> <li>• 3<sup>rd</sup> Quarter Lottery</li> <li>• 4<sup>th</sup> Quarter Interest Apportionment Accrual</li> <li>• FY 12/13 Apportionment Deferrals</li> <li>• SELPA A/R, A/P – Determined by your SELPA Advisor</li> </ul>		
<input type="checkbox"/> Ensure that Indirect Costs net to zero at function and fund level		
<input type="checkbox"/> Transfers of Direct Costs – Interfund (Object 5750) must net to zero for all funds		
<input type="checkbox"/> Transfers of Indirect Costs – Interfund (Object 7350) must net to zero for all funds		
<input type="checkbox"/> Transfers of Indirect Costs – Interfund (Object 7350) must net to zero by function		
<input type="checkbox"/> Interfund Transfers In (Object 8910-8929) must equal interfund Transfers Out (Object 7610-7629)		
<input type="checkbox"/> Due from Other Funds (Objects 9310) must equal Due to Other Funds (Object 9610)		
<input type="checkbox"/> PERS Reduction Transfer (Object 8092) in the General Fund must equal PERS Reduction, certificated and classified positions (Object 3801-3802) in all funds		
<input type="checkbox"/> Revenue Limit Transfers (Objects 8091 and 8099) must net to zero individually		
<input type="checkbox"/> Transfers of Indirect Costs (Object 5710) must net to zero by fund		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> Transfers of Indirect Costs (Object 7310) must net to zero by fund		
<input type="checkbox"/> Transfers of Indirect Costs (Object 7310) must net to zero by function		
<input type="checkbox"/> Contributions from Unrestricted Revenues (Object 8980) must net to zero by fund		
<input type="checkbox"/> Contributions from Restricted Revenues (Object 8990) must net to zero by fund		
<input type="checkbox"/> Transfers of Restricted Balances (Object 8997) must net to zero		
<input type="checkbox"/> There should be no contributions (Obj 8980-8999) to the lottery (Resr 1100 & 6300) or from the Lottery: Instructional Materials (Resr 6300)		
<input type="checkbox"/> Pass-through revenues from all sources (objects 8287, 8587, and 8697) should equal transfers of pass-through revenues to other agencies (objects 7211 through 7213, plus 7299 for resources 3327 and 3328) by resource		
<input type="checkbox"/> Components of Ending Fund Balance (Objects 9710-9790) must agree with Fund Equity (Assets [Objects 9100-9499] minus Liabilities [Objects 9500-9699])		
<input type="checkbox"/> Legally restricted and other designation amounts reported in objects 9740 through 9780 should not create a negative undesignated/unappropriated balance (Object 9790) by fund and resource (for all funds except Fund 67)		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> Legally restricted and other designation amounts reported in Fund 67, Self-Insurance Fund, Objects 9740 through 9780 with rare exceptions should not create a negative undesignated/unappropriated balance (Object 9790) by Resource		
<input type="checkbox"/> All Ending Fund Balances (Object 9792) should be positive by resource, and by fund		
<input type="checkbox"/> Revenue amounts exclusive of contributions (objects 8000-8979) should be positive by resource and by fund		
<input type="checkbox"/> Expenditure amounts (Objects 1000-7999) should be positive by function, resource and fund		
<input type="checkbox"/> Accounts Receivable (Object 9200), Due from Other Funds (Object 9310), Accounts Payable (Object 9500), and Due to Other Funds (Object 9610) should have a positive balance by resource and by fund		
<input type="checkbox"/> Components of Ending Fund Balance (Object 9700-9789) must be positive individually by resource and by fund		
<input type="checkbox"/> Total revenues exclusive of contributions (Objects 8000-8979) should be positive by fund		
<input type="checkbox"/> Expenditure amounts (Objects 1000-7999) should be positive by function, resource and fund		
<input type="checkbox"/> Accounts Receivable (Object 9200), Due from Other Funds (Object 9310), Accounts Payable (Object 9500) and Due to Other Funds (Object 9610) should have a positive balance by resource and by fund		

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>OTHER ITEMS TO REMEMBER:</b>		
<input type="checkbox"/> Cash Receipt Cutoff		June 27
<input type="checkbox"/> Deadline to Enter A/P Batches for 12/13		June 27
<input type="checkbox"/> Deadline to Cancel A/P Warrants for 12/13		June 27
<input type="checkbox"/> Last Warrant Pick-Up for FY 12/13		June 28
<input type="checkbox"/> First A/P Batch for FY 13/14		July 1
<input type="checkbox"/> Last Cash Transfer Between SACS Funds for FY 12/13 (Date all transactions 6/30/13)		July 11
<input type="checkbox"/> Last Day for DBAS to post GL Transactions		Aug 8
<input type="checkbox"/> DBAS to distribute BI & R Info to Districts		Aug 16
<input type="checkbox"/> Suspense accounts cleared as appropriate		
<input type="checkbox"/> Clear the payroll liability accounts (99xx) to 9509		
<input type="checkbox"/> Final Cash Reconciliation rec'd from DBAS	<ul style="list-style-type: none"> <li>Confirm cash from DBAS matches QSS and matches data exported from QSS to SACS software</li> </ul>	July 31
<input type="checkbox"/> Last day for District Transactions dated (6/30/13) for FY 12/13		Aug 30
<input type="checkbox"/> FY 12/13 Financial Reports : <b><i>(TSB will not be generating Fiscal Year End Reports unless otherwise notified by the District on this date. Contact the TSB Helpdesk at 408.453.6748 <a href="http://accesspoint.sccoe.org">http://accesspoint.sccoe.org</a>)</i></b>		Aug 30

<b><i>CLOSING FY 12/13</i></b>	<b><i>Activity</i></b>	<b><i>Target Date</i></b>
<b>FINAL STEPS:</b>		
<input type="checkbox"/> Board Presentation Materials		
<input type="checkbox"/> Compare Budget to Actuals		
<input type="checkbox"/> Complete all Budget Transfers		
<input type="checkbox"/> Present Financials to the Board		
<input type="checkbox"/> Export Official SACS DAT file to DBAS		Sep 16
<input type="checkbox"/> Send Unaudited Actual Documents to DBAS including narrative and budget assumptions		Sep 16
<input type="checkbox"/> Gann Resolution to DBAS		Sep 16



# **Balance Sheet Accounts**

# Assets / Debit Balance/ 91xx thru 94xx

## Cash

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### Cash In County Treasury

#### 9110 – Cash in County Treasury

- SCCOE will send the final June cash reconciliation to the CFO (see Fiscal Close Calendar for date – usually by the end of July)
- Confirm that Cash is positive in each fund
- Caution: be sure to double check cash before you finalize Unaudited Actuals

**Cash Reconciliation Spreadsheet amount = QSS amount = Amount you are reporting in SACS software**

### Cash In Bank

#### 9120 - Cash in Bank

Trustee/Cash Clearing

- Reconcile Bank Statement

### Revolving Cash

#### 9130 – Revolving Cash

- Reconcile Bank Statement
- Balance to impress amount
- Reimburse for all 11/12 checks written
- Review whether there are any deposits here that need to be moved.

### Cash with Fiscal Agent

#### 9135 - Cash with Fiscal Agent

- Reconcile trustee statements/bank statements
- Typically associated with COPs CFDs, QZAB

### Cash Collections Awaiting Deposits

#### 9140 – Cash Collections Awaiting Deposits

- Cash received on or before June 30<sup>th</sup> but not deposited to the County Treasurer or in a bank account by June 30<sup>th</sup>
- Treat like an Accounts Receivable
  - Debit transaction to accrue



# Accounts Receivable

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## 9200 – Accounts Receivable

- Amounts due to district that have not been received by June 30<sup>th</sup>
- Unpaid invoices due to you
  - Need to be reviewed
- Grants where dollars have been earned but \$\$ have not been received
- Entitlements that have not been received

### Most Common Accounts Receivable

- Apportionments – State Aid, GATE, **prior year** State Aid and GATE
- State Aid Accrual (if underpaid by state)
- K-3 CSR – difference between advance and J-7CSR Report
- Lottery – restricted and unrestricted
- Interest – 4<sup>th</sup> quarter or June
- Federal Special Education – resource 33xx
- All Outstanding Invoices
- Cafeteria National School Lunch Program (NSLP) Reimbursements



### **Time Saving Tips: Review last year's Accounts Receivable listing & Audit Report**

- **Review Outstanding (unpaid) Invoices**
- **Bill for all monies due to you**
- **Check Resources to make sure they are balanced – no negatives!**
- **Don't set up A/R for more than you are due – award letters**

# Accounts Receivable

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## **9209 – Accounts Receivable Setup**

Entries will automatically post here when you establish your receivables through the QSS Accounts Receivable system

## **9310 - Due From Other Funds**

- Amounts due from other funds within the district
- Due From = Due To (across all funds)
- Should include Cafeteria Accounts
- Debit to accrue

## **9320 - Stores Adjustment**

- Balance your General Ledger account, object 9320 to your actual physical inventory
- Increase (debit) or decrease (credit) Stores account
- Have all payments been made or accrued?
- Have all items been posted to inventory?
- Object 9320 should reflect your physical inventory as of June 30<sup>th</sup>

# Prepaid Expense

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## 9330 – Prepaid Expense

- Payments made in advance of the receipt of goods or use of services
- Examples
  - Rents
  - Prepaid travel & conference registration
  - Insurance
  - Memberships
- Some Resources do not allow
- Clear right away in new year

## Accounting Treatment

**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  
The accrual entry in the *Prior Fiscal Year* was:**

		Resource	Object	Goal	Function	
DR	Prepaid Expense	xxxx	9330			1,500
CR	Insurance	xxxx	5400	xxxx	xxxx	1,500

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

		Resource	Object	Goal	Function	
DR	Insurance	xxxx	5400	xxxx	xxxx	1,500
CR	Prepaid Expense	xxxx	9330			1,500

**STEP 2** Establish *Current Fiscal Year* accrual

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

		Resource	Object	Goal	Function	
DR	Prepaid Expense	xxxx	9330			2,000
CR	Insurance	xxxx	5400	xxxx	xxxx	2,000

# Prior Year Items

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Prior year items should be reconciled, cleared and posted. The following accounts should have a – zero balance before posting any entries for the current year close.

## **Accounts with separate “set-up” accounts**

Accounts Receivable and Accounts Payable have a separate “set-up” account to set up accruals for the current year that is being closed (e.g. 9209 is AR set up account; 9509 is AP setup account). Before posting any entries for the current year close, the amounts in the following accounts are balances for accruals from the prior year.

**9210 – Accounts Receivable from prior year**

**9510 – Accounts Payable from prior year**

## **Other Accounts**

The following accounts do not have a separate “set-up” account. The beginning balances in these accounts represent items from the prior year that need to be resolved before posting new items for the current year close.

**9310 – Due-From Other Funds**

**9330 – Prepaid Expenditures**

**9610 – Due To Other Funds**

**9650 – Deferred Revenue**



**Helpful QSS Reports – GLD115 Recap, GLD110 Detail**

# Liabilities / Credit Balance/ 95xx thru 96xx

## Accounts Payable – Current Liabilities

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### 9500 – Accounts Payable – Current Liabilities

- Amounts due for goods and/or services received on or before June 30<sup>th</sup> but for which payment has not been made
- Set up accrual
  - Use actual invoices & receiving documents
- Review Encumbrances
  - Not automatically Accounts Payable
  - Need to be reviewed and adjusted for actual goods/services received
- If you don't have actual amount – Estimate

### Most Common Accounts Payable

- Prior Year State Aid – June Apportionment if applicable
- Current Year State Aid, if overpaid by state
- Purchase Orders not paid
- Employee Timecards
- June Health Insurance
- June utilities
- Employee reimbursements for travel, mileage, etc.
- Construction Contracts
- Revolving Cash reimbursement
- Short-term vacation accrual – salary & benefits
  - Amount you are paying off



**Time Saving Tips: Review last year's Accounts Payable listing & Audit Report**

# Accounts Payable – Current Liabilities

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## Close out your Construction Contracts

- Confirm services received through June 30<sup>th</sup>
- Accrue invoices received for services
- Invoices not received? Estimate
- Accrue the remaining amount of contract AND retention

## Accounts Payable

### 9509 – Accounts Payable Setup

Entries will automatically post here when you establish your payables in QSS through Payables/Current Liabilities

## Liability Accounts

Review liability accounts to see if any items are posted here that you need to record as an expense. The following accounts should have a zero balance or represent *real* payables:

Object	Description
9512	Use Tax Liability
9513	Sales Tax Liability
9554	Social Security ER
9556	Medicare ER
9559	Unemployment Insurance
9560	Workers Compensation
9562	STRS ER
9565	PERS ER
9570	Health & Welfare
9573	Dues
9575	Charitable Contributions
9576	Other Vol Deds
9579	Adjustments to Social Security
9580	Adjustments to Medicare
9585	Summer Pay Set-aside
9597	Non-Sufficient Funds Posting
9599	SCCOE Liability Transfers



**Time Saving Tips: For payroll related suspense accounts – wait until after final liability payrolls are run before clearing.**



# Due To/Due From

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Make sure that all revenues and expenditures are accounted for in the proper fund. If one fund owes another fund at year-end and it is after the inter-fund transfer (TF) deadline (July 15 – See Fiscal Close Calendar), establish a due to/due from account.

## **9310 – Due From Other Funds**

Amount due from another district fund.

## **9610 – Due To Other Funds**

Amount due to another district fund.

### Examples

- Cafeteria Accounts
- Indirect charges
- Food Services catering

### **EC 42603**

Requires that prior fiscal year due to/due from accounts must be repaid in the current fiscal year. Be sure to clear the prior year due to/due from amounts before establishing due to/due from amounts for the current fiscal year.

# Due To/Due From

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**EXAMPLE:**

**STEP 1** Reverse any remaining prior year closing entries

In the prior fiscal year a contribution was recorded from the General Fund to the Cafeteria Fund and a due to/from was established because the inter-fund transfer deadline had passed. The due to/due from entry in the *Prior fiscal Year* was:

	FUND	OBJECT	DR	CR
From General Fund to Cafeteria Fund	01	7616	10,000	
Due to Other Funds	01	9610		10,000
Due From Other Funds	13	9310	10,000	
To Cafeteria Fund from General Fund	13	8916		10,000

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

	FUND	OBJECT	DR	CR
Due To Other Funds	01	9610	10,000	
Due From Other Funds	13	9310		10,000

**EXAMPLE:**

**STEP 2** Establish the *Current Fiscal Year* closing entry.

In the current fiscal year a contribution is needed from the General Fund to the Cafeteria Fund and the inter-fund transfer deadline had passed. The due to/due from entry in the *Current Fiscal Year* will be:

	FUND	OBJECT	DR	CR
From General fund to Cafeteria Fund	01	7616	12,000	
Due To Other Fund	01	9610		12,000
Due From Other Funds	13	9310	12,000	
To Cafeteria Fund from General Fund	13	8916		12,000

# Deferred Revenue

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## 9650 – Deferred Revenue

- Revenue that has been received, but is unearned, as of June 30th.
  - Unearned = not spent
- Reduces current year revenue & moves to next year
- Check List of Resources in the California School Accounting Manual
  - Resources with “D” designation cannot have an ending fund balance (D = Deferred Revenue)
- Should match Deferred Revenue on SACS FORM CAT.

### *Example*

**STEP 1:** Reverse any remaining prior year closing entries. Remember to use the correct resource numbers when reversing the prior year’s closing entries.

**TUPE revenues exceeded expenditures on Form CAT for the *Prior Year* so excess revenue was deferred to the *Current Fiscal Year*. The deferred revenue entry in the *Prior Fiscal Year* was:**

	RESOURCE	OBJECT	DR	CR
Other State Apportionment	6660	8590	3,000	
Deferred Revenue	6660	9650		3,000

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

	RESOURCE	OBJECT	DR	CR
Deferred Revenue	6660	9650	3,000	
Other State Apportionment	6660	8590		3,000

### *Example*

**STEP 2:** Establish the Current Fiscal Year closing entry

**TUPE revenues exceeded expenditures on Form CAT for the *Current Fiscal Year* so excess revenue must be deferred to the *Subsequent Fiscal Year*:**

	RESOURCE	OBJECT	DR	CR
Other State Apportionment	6660	8590	3,500	
Deferred Revenue	6660	9650		3,500

# Deferred Revenue

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**Time Saving Tips: Write up the reversing entry at the same time you write up the  
Accrual**

- **Due To/Due From, Prepaid Expense, Deferred Revenue & Cash Collections Awaiting Deposit**
- **Due To/Due From – use same accrual/reference number**
- **Process the reversal as soon as you can in the new fiscal year**

# **CATEGORICALS**

# Categorical Programs

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**Gather all award letter, notices, etc.**

## **Deferred Revenue (Grants):**

- “Earned when spent”
- Revenue = Expenditures



Tip: finalize expenditures first, including indirect costs, then calculate revenue

## **Restricted Ending Balance (Entitlements):**

- Revenue recognized when received or entitled to receive



Tip: Finalize revenues first, and then review expenditures in case you need to reclassify any expenditures from programs that are not allowed to encroach

**Use SACS CAT form to help calculate A/R's and Deferred Revenues**



**Helpful QSS Reports – GLD320 to help balance resources**

# Categorical Programs

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## General Information

- Treat each resource as its own mini financial statement, with revenues, expenditures and balance sheet items
- Items needed
  - All grant/entitlement letters,
  - Revenue ledger detail by resource
  - Summary of expenditures by resource
  - Indirect cost Rate – LEA rate or maximum
  - Trial balance by resource (if available)
- Is the program a Deferred Revenue or Fund Balance Program?
  - Grant = Deferred Revenue = most Federal, some State
  - Entitlement = Fund Balance = few Federal, most State
  - Refer to Procedure 310 – California School Accounting Manual for Resource (Project/Reporting) Classification
- Do I book an Accounts Receivable, Accounts Payable or Deferred Revenue?
  - Grants = Accounts Receivable or Deferred Revenue ( not both)
  - Grant = Accounts Payable if carryover not allowed
  - Entitlement = only Accounts Receivable
    - Cannot have Deferred Revenue
    - Ending Fund Balance is Allowed

## Schedule for Categoricals

CAT Form – 6 Sections

- Grant Awards - Deferred Revenue
  1. Federal
  2. State
  3. Local
- Restricted Ending Balance
  4. Federal
  5. State
  6. Local

# Categorical Programs

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## Tips for Grant Awards

- Prior Year Award Carryover can, but does not have to match Revenue Deferred from Prior Year
- Review revenue detail to determine amounts to enter into CAT form on proper line
- Should not have both Accounts Receivable and Deferred Revenue
- Carryover not always allowed – refer to award letter or SACS Query page
- Reconciliation of Revenue – should match revenue in general

## Closing Out a Grant

1. Expenditures
  - All Accruals posted?
2. Calculate Indirect
  - Watch for maximum indirect cost rates
  - Things you can't charge indirect on – object 5100
3. Check total allowed expenditures
  - Make sure program has not been overspent
4. Reduce revenue to match expenditures
  - Debit revenue account – Credit deferred revenue (9650)

## Closing Out an Entitlement Program

1. Confirm Entitlement Amount
2. Expenditures
  - All Accruals posted?
3. Calculate Indirect – if allowed
  - Watch for maximum indirect cost rates
  - Can you charge indirect on all expenditure?
4. Check total allowed expenditures
  - Make sure program is not overspent
5. Confirm ending balance matches amount in Financial System



# Categorical Programs

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## **Restricted Ending Balances Categoricals**

- Ending balance on CAT form should match ending Fund Balance in Financial System – General Fund
- Object 9740 – Legally Restricted Balance
  - State software produces a detailed listing
- Object 9780 – Designated Ending Balance
  - List by Program Name in Components of ending Fund Balance by Fund and Resource

# **INDIRECT COSTS**

# Indirect Cost Rates

				----- APPROVED RATES -----				
				For use with state and federal programs, as allowable, in:				
County Code	LEA Code	Type*	LEA Name	2009-10	2010-11	2011-12	2012-13	2013-14
				(based on 2007-08 expenditure data)	(based on 2008-09 expenditure data)	(based on 2009-10 expenditure data)	(based on 2010-11 expenditure data)	(based on 2011-12 expenditure data)
43	10439	C	Santa Clara County Superintendent	9.03%	10.03%	12.61%	11.19%	10.41%
43	40360	J	Metropolitan Education District	0.00%	0.00%	0.00%	0.00%	0.00%
43	40899	J	West Valley Schools Transp. Agency	0.00%	0.00%	0.00%	0.00%	0.00%
43	40949	J	East Valley Transportation JPA	0.00%	0.00%	0.00%	0.00%	0.00%
43	69369	D	Alum Rock Union Elementary	5.89%	5.44%	5.23%	5.31%	6.42%
43	69377	D	Berryessa Union Elementary	4.79%	2.80%	5.33%	5.93%	6.05%
43	69385	D	Cambrian	5.38%	4.39%	4.05%	6.01%	6.93%
43	69393	D	Campbell Union	5.74%	5.47%	5.47%	3.56%	3.38%
43	69401	D	Campbell Union High	5.47%	6.45%	7.61%	7.40%	8.37%
43	69419	D	Cupertino Union Elementary	4.71%	3.38%	4.90%	4.13%	4.18%
43	69427	D	East Side Union High	8.02%	7.24%	4.46%	5.25%	6.49%
43	69435	D	Evergreen Elementary	3.10%	2.35%	3.03%	3.18%	3.40%
43	69450	D	Franklin-McKinley Elementary	5.99%	4.57%	4.66%	5.13%	5.77%
43	69468	D	Fremont Union High	6.72%	7.49%	7.86%	3.80%	7.78%
43	69484	D	Gilroy Unified	4.65%	4.08%	3.98%	4.65%	5.56%
43	69492	D	Lakeside Joint Elementary	8.97%	3.51%	9.97%	3.86%	3.02%
43	69500	D	Loma Prieta Joint Union Elementary	7.61%	6.86%	9.58%	6.53%	7.27%
43	69518	D	Los Altos Elementary	5.06%	4.87%	5.78%	5.16%	4.56%
43	69526	D	Los Gatos Union Elementary	6.88%	7.11%	5.80%	6.55%	7.50%

				----- APPROVED RATES -----				
				For use with state and federal programs, as allowable, in:				
County Code	LEA Code	Type*	LEA Name	2009-10	2010-11	2011-12	2012-13	2013-14
				(based on 2007-08 expenditure data)	(based on 2008-09 expenditure data)	(based on 2009-10 expenditure data)	(based on 2010-11 expenditure data)	(based on 2011-12 expenditure data)
43	69534	D	Los Gatos-Saratoga Joint Union High	7.30%	6.19%	6.63%	6.19%	4.13%
43	69542	D	Luther Burbank Elementary	3.83%	4.19%	4.31%	5.75%	5.35%
43	69575	D	Moreland Elementary	10.53%	8.72%	5.29%	4.84%	4.93%
43	69583	D	Morgan Hill Unified	5.72%	4.59%	4.65%	4.92%	6.14%
43	69591	D	Mountain View Whisman Elementary	5.76%	4.52%	5.13%	5.11%	5.15%
43	69609	D	Mountain View-Los Altos Union High	7.13%	7.82%	8.04%	7.32%	6.71%
43	69617	D	Mt. Pleasant Elementary	5.41%	3.96%	3.91%	4.89%	7.17%
43	69625	D	Oak Grove Elementary	6.46%	5.89%	8.05%	9.17%	7.63%
43	69633	D	Orchard Elementary	5.63%	3.07%	4.69%	3.05%	2.52%
43	69641	D	Palo Alto Unified	3.57%	3.30%	4.77%	5.55%	5.67%
43	69666	D	San Jose Unified	4.53%	4.29%	5.09%	4.55%	5.37%
43	69674	D	Santa Clara Unified	3.19%	2.68%	4.01%	3.62%	3.13%
43	69682	D	Saratoga Union Elementary	7.84%	7.52%	7.40%	8.46%	8.18%
43	69690	D	Sunnyvale	7.18%	6.39%	5.15%	4.52%	7.25%
43	69708	D	Union Elementary	5.08%	5.02%	5.42%	4.57%	4.75%
43	73387	D	Milpitas Unified	3.93%	4.87%	4.44%	4.57%	5.09%
43	75689	J	Silicon Valley Jt. Powers Transp. Agency	0.00%	0.00%	0.00%	0.00%	0.00%

# Indirect Costs

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## Indirect Costs

Indirect costs are agencywide general management costs not readily identifiable with a particular program but necessary for the overall operation of the agency ( e.g. costs of accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, and centralized data processing). Direct costs can be identified with a particular instructional program or support service necessary to maintain the program.

## Indirect Cost Rate

Indirect costs are distributed to programs using the indirect cost rate. The indirect cost rate is the ratio (expressed as a percentage) of the adjusted indirect costs to the direct base costs. A multiyear list of indirect cost rates is posted online annually at <http://www.cde.ca.gov/fg/ac/ic> . See page 47 for rates.

## Calculation of Indirect Costs

The amount of allowable indirect costs charged to a grant or entitlement program is determined by actual expenditures during a fiscal year, not by the entitlement. To calculate the indirect costs to be charged to a program, multiply the actual expenditures in objects 1000-5999 less object 5100 by the allowable indirect cost rate. For sub-agreements, the first \$ 25,000 can be coded to object 5800 and subject to indirect, the remainder is charged to object 5100 (see Procedure 330 In CSAM).



Tip: Finalize all 1000-5999 costs (including direct support costs) before calculating indirect costs

Some programs cap the allowed indirect cost rates, others have an administrative cap that limits a combination of direct administrative costs and indirect costs. The data provided in the SACS Query at <http://www.cde.ca.gov/fg/ac/ac/ap/querybyresource.asp> shows the allowable indirect cost rate for each resource.

# Indirect Costs

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## **Intrafund Indirect Costs**

When indirect costs are charged to programs within the same fund, **object 7310 or 7344 and function 7210** 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 and/or 7344 accounts must be a zero balance.**

## **Interfund Indirect Costs**

When indirect costs are charged to programs within the Child Nutrition, Child Development or Adult Education Funds, **object 7350 and function 7210** 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.**

## **Indirect Costs – Form ICR**

### **Part I – General Administrative Share of Plant Services Costs**

- Salaries & Benefits – Other General Admin & Centralized Data Processing
  - Funds 01, 09 and 62
  - Objects 1000-3999, except 37xx
  - Functions 7200-7700
  - Goals 0000-9000
  
- Contracted positions not paid thru payroll – must enter
- Salaries & Benefits – All Other Activities
  - Funds 01, 09 and 62
  - Objects 1000-3999, except 37xx
  - Functions 1000-6999, 7100-7180, 8100-8400
  - Functions 7200-7700, all goals except 0000-9000

### **Part II – Adjustments for Employment Separation costs –**

These costs will be moved from base costs to indirect costs

- Normal Separation Costs (optional)
  - Restricted state or federal program employees charged to unrestricted
    - Resources (0000-1999)
    - Funds 01, 09, and 62
    - Functions 1000-6999 or 8100-8400
  
- Abnormal or Mass Separation Costs (required)
  - General Administration positions
  - Funds 01, 09 and 62
  - Resources 0000-1999
  - Functions 7200-7700

# Indirect Costs

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## Part III – Indirect Cost Calculation – with carry forward adjustment

- Funds 01, 09, 62
- Pulled automatically by function
- Uses information from Parts I and II of ICR form
- Any changes will need to be made in the Financial System

## Evaluating Your Indirect Cost Rate

- Review bottom number on second page
- Rate Too High?
  - Review functions 7xxx (excluding 71xx) & 8xxx to make sure expenditures are in appropriate function
  - Audit services should be charged to function 7190 or 7191
  - Technology 77xx – only for centralized data processing
  - Instructional Technology should be charged to either 1000 or 2420 functions
- Rate Too Low?
  - Review expenses in other functions to make sure costs are not district administration, technology or maintenance
- Make changes in financial system
  - Transfer expense to proper account with more appropriate function

Indirect Pool (Numerator )

Maintenance factor based on % of salaries

Indirect Base (Denominator)

Subagreements not included - object 5100

## Subagreements

- Subagreements = when a part or all of an instructional or support activity for which the LEA is responsible is conducted by a third party rather than by the LEA
- Object 5100
- First \$ 25,000 of each agreement may remain in 5800 object code

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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In addition to these indirect cost and indirect cost rate FAQs, information on the indirect cost process is also available in Procedure 915 of [the California School Accounting Manual \(CSAM\)](#), which may be viewed and printed.

### 1. What governs indirect cost rates for local educational agencies?

The United States Department of Education (ED) has approved a delegation agreement with the California Department of Education (CDE) that authorizes the CDE, as the cognizant agency, to establish indirect cost rates for California's local educational agencies (LEAs). Following is pertinent information concerning the agreement:

- Delegation Agreement Number: 2010-163
- Effective Period: July 1, 2010, to June 30, 2015
- Type of Indirect Cost Rate: Fixed Rate (with a carry-forward provision)
- Indirect Cost Rate Category: Restricted (computed per 34 *Code of Federal Regulations (CFR)* 76.564)
- Term Covered by the Rate: Indirect cost rates cover a one-year period and are calculated and approved annually.
- Use of Rate: Indirect cost rates are for use in the award and management of federal (and state) contracts, grants, and other assistance arrangements governed by Office of Management and Budget (OMB) Circular A-87 and Education Department General Administrative Regulations (EDGAR) 34 *CFR* parts 75.561 and 76.561(b) and (c).

### 2. What are indirect costs?

Indirect costs are agency-wide, general management costs (i.e., activities for the direction and control of the agency as a whole). General management costs consist of administrative activities necessary for the general operation of the agency, such as accounting, budgeting, payroll preparation, personnel services, purchasing, and centralized data processing.

Conversely, direct costs are costs that provide measurable, direct benefits to particular programs. For LEAs, these can include costs that relate directly to instructional programs and also support costs that relate to the peripheral services necessary to maintain the instructional programs. Examples of LEA direct costs include salaries and benefits of teachers and instructional aides, payments for textbooks, instructional supply purchases, and pupil service costs (e.g., counseling, health services, pupil transportation).

### 3. What is an indirect cost rate?

In general terms, an indirect cost rate is the percentage of an organization's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs.

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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**4. Why use an indirect cost rate? How does it benefit an organization?**

General management costs are necessary for any program to exist. For instance, all programs will use the business office at one time or another for services such as contracts, purchasing, payroll checks, and personnel management. Without the benefit of an indirect cost rate, there would be no standard way for each program to contribute its share of the general management costs without spending a lot of staff time having to “time account” to each activity. By using an indirect cost rate, LEAs have a standardized, efficient way to recover a share of general management costs from individual programs.

**5. I hear that indirect costs cannot be charged on certain types of costs. What are these costs and why can I not charge indirect costs against them?**

Certain types of costs (activities) require relatively minimal administrative support compared to the amount of dollars spent. These costs would distort the indirect cost process and are excluded from the calculation of the indirect cost rate. Following are the most common costs excluded from the calculation:

- Subagreements for Services (object 5100), which include expenditures for subagreements and subawards pursuant to certain contracts, subcontracts, and subgrants.
- Capital Outlay (objects 6000–6999), which includes expenditures for items such as the acquisition of land, improvements to sites, construction or purchase of new buildings, books and media for new schools, major expansions of school libraries, and capitalized equipment.
- Other Outgo (objects 7000–7499) and Other Financing Uses (objects 7600–7699), which include items such as tuition, excess cost payments, pass-through funds, transfers out, debt service, and transfers between funds.

Since these costs are excluded from the determination of the indirect cost rate, it is not appropriate to include them in the pool of eligible program expenditures on which to charge indirect costs. (See [CSAM Procedure 330](#) for further details on these categories of expenditures).



# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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### 6. Is equipment, especially personal computers, considered capital outlay?

If the per unit cost of the personal computer exceeds the LEA's capitalization threshold, it is accounted for as capital outlay; if the per unit cost is below the capitalization threshold, it is considered materials and supplies, not capital outlay.

In general, there are certain criteria that must be met before equipment is considered to be capital outlay. [CSAM](#) Procedure 770 lists these criteria, such as whether the item has a normal service life of more than one year, the item is usually repaired rather than replaced, the cost to inventory the item is only a small percentage of the purchase price, and the item's per unit purchase price exceeds the LEA's capitalization threshold. [CSAM](#) recommends an equipment capitalization threshold of at least \$5,000, but this may vary by LEA. Procedure 770 also includes guidance on capitalizing groups of items acquired at the same time that do not meet the threshold for capitalization individually.

Equipment that costs more than the inventory threshold (typically \$500), but less than the capitalization threshold, is not considered capital outlay and is accounted for as noncapitalized equipment using Object 4400.

### 7. How is an indirect cost rate calculated?

The CDE has been granted authority by the ED to review and approve indirect cost rates for California LEAs (county offices of education, school districts, joint powers agencies, and charter schools).

Preliminary LEA indirect cost rates are calculated in the CDE's standardized account code structure (SACS) software using an indirect cost rate work sheet (Form ICR). To calculate the rate SACS Form ICR divides an LEA's general administration costs (the numerator of the calculation) by its operating costs (the denominator). An adjustment is also made for the difference between the rate approved for use in a year and the amount of indirect costs actually expended. (See [CSAM](#) Procedure 915 for further information on the indirect cost rate calculation).

LEAs annually submit Form ICR to the CDE along with their year-end financial reports. Once all LEA year-end financial data have been collected and reviewed by the CDE, a listing of approved [indirect cost rates](#) is posted.

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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### 8. How do I know what rate to use in what year?

The approved listing of indirect cost rates indicates in what fiscal year the rates are to be used. Data submitted for a particular fiscal year produce indirect cost rates that are used in the second subsequent fiscal year (e.g., 2009–10 data produce indirect cost rates that are used in 2011–12).

The rate should be used in the year the funds are expended, which is not necessarily the same as the year the funds are appropriated, received, or encumbered. For instance, if money for a program is received in May 2010, which is part of fiscal year 2009–10, but the funds are not expended until fiscal year 2010–11, then the indirect cost rate approved for use in 2010–11 should be used when claiming indirect costs. This is because the indirect cost rate is meant to allow for recovery of costs in the year the expenditures are incurred, not the year the money may have become available.

### 9. What rate do I use for projects that cover more than one year?

If more than one year is involved in a project, the indirect cost rate used to recover indirect costs should change as the fiscal year changes. For instance, using an 18-month program starting August 1, 2010, the indirect cost rate approved for use in fiscal year 2010–11 would be used for expenditures incurred August 1, 2010, through June 30, 2011, and a new indirect cost rate approved for use in fiscal year 2011–12 would be used for expenditures incurred from July 1, 2011, until January 31, 2012.

For programs that follow the federal fiscal year, October 1 to September 30, the rates are still applied using the state fiscal year as the basis. For example, the approved rate for the initial fiscal year would be used for October 1 through June 30, and then the new approved rate would be used for the July 1 through September 30 time period.

### 10. What determines if indirect costs can be charged to a program?

In the absence of statutory or regulatory language that would prohibit claiming indirect costs (e.g., if the legislation is silent on the subject of indirect costs), then indirect costs can generally be charged. But, if the authorizing legislation says that funds must be spent solely on the item in question, then indirect costs cannot usually be claimed. For instance, if a program states that funds are specifically limited to instructional materials, then charging indirect costs would not be allowed. (Because the statutes and regulations vary by program, questions on whether indirect costs can be charged to a specific program should be directed to the CDE unit responsible for administering the program.)

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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### 11. Is there a cap or limit on the amount of indirect costs that can be charged?

An LEA may claim up to its approved indirect cost rate unless there is specific authority (legislation or regulation) to limit the rate. For instance, if program statutory or regulatory language limits indirect costs to 3 percent, and an LEA has an approved rate of 5.25 percent, only 3 percent can be charged to the program for indirect costs; if the LEA had an approved rate of 2.75 percent, only 2.75 percent could be charged.

For caps associated with the adult education and food services programs, refer to question 17.

### 12. How do I use the indirect cost rate to recover/charge indirect costs?

If indirect costs are allowed, the indirect cost rate can be used to budget the maximum amount of indirect costs allowable for a program and then to claim the actual amount of indirect costs after the program expenditures have been made. It is important to remember that when recovering/charging indirect costs, the indirect cost rate is applied to the amount actually expended, not the total amount budgeted.

**Example of budgeting for indirect costs:** Assume an LEA's approved indirect cost rate is 8.00 percent and the grant amount is \$10,000. The LEA plans to spend the entire \$10,000 in the same fiscal year and does not expect to spend any of the \$10,000 on excluded costs (see question 5 for further information on excluded costs). Since the grant amount is for \$10,000, and indirect costs are part of the grant amount rather than in addition to it, you must back into a budgeted indirect cost amount that keeps the grant from exceeding \$10,000. To do this, divide \$10,000 by 1.08, which equals \$9,259.26. Then subtract \$9,259.26 from \$10,000, which equals \$740.74. The \$740.74 is the maximum amount the LEA could budget for indirect costs. (To test this, \$9,259.26 times 8.00 percent equals \$740.74, and \$9,259.26 plus \$740.74 equals \$10,000.)

**Example of charging indirect costs:** Assume an LEA's approved indirect cost rate is 8.00 percent and the grant amount is \$10,000. During the year, the LEA's actual grant expenditures totaled \$8,000, of which \$786 was for capital outlay (see question 5 for further information on capital outlay). The maximum amount that can be charged to the grant for indirect costs is \$577.12, which is \$7,214 (\$8,000 minus \$786) times 8.00 percent.

### 13. Does an LEA have to charge the entire amount of indirect costs allowed by its indirect cost rate?

An LEA may choose to claim less than the amount of indirect costs allowed by its indirect cost rate. Amounts not claimed under one award may not be shifted to another award, unless specifically authorized by legislation or regulation.

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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**14. What about claiming indirect costs in contracts between LEAs and the CDE?**

When indirect costs are allowed, LEAs should use their CDE-approved indirect cost rate as the basis for budgeting and claiming indirect cost reimbursements under contracts with the CDE. Contracts that cover more than one year should be structured to allow for adjustments for any rate(s) not yet known.

**15. Do schools, including charter schools, have approved indirect cost rates?**

Non-charter schools fall under the authority of their district; their expenditures are reported to the state as part of the district's General Fund and are used in the calculation of the district's indirect cost rate. This enables non-charter schools to use the indirect cost rate approved for their district.

Because of the unique circumstances surrounding charter schools, some are able to use the rate of their approving agency and some are not, depending on how their year-end expenditures were reported to the state. Please see our separate [charter school listing](#) for details on approved rates for charter schools.

**16. Are there indirect cost rates for community colleges?**

The CDE's federally approved indirect cost plan only covers kindergarten through grade twelve (K-12) educational programs. Questions about indirect cost rates for community colleges should be directed to the Chancellor's Office at 916-445-8752.

**17. Are there statewide indirect cost rates?**

In compliance with *Education Code* sections 38101(c) and 52616.4(a)(3), the CDE annually calculates statewide rates for the food service and adult education programs. These programs limit indirect costs to the lesser of the LEA's approved rate or the statewide rates for the programs.

The CDE calculates the statewide rate for food services by totaling the expenditures of elementary, high, unified, and common administration districts, thereby creating one statewide indirect cost pool and one statewide direct/direct support cost pool. The rest of the calculation is done the same as for individual LEAs, only it is done as if the food services program were a single LEA. The same is done for the adult education program, except elementary districts are excluded. For the latest food service and adult education statewide rates, please see our [statewide rates listing](#)

# Indirect Costs

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## Frequently Asked Questions about Indirect Costs

Responses to frequently asked questions (FAQs) regarding the indirect cost process and indirect cost rates.

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### **18. Can indirect costs be charged to the Community Day Schools program?**

Yes, however, indirect costs are not included in the calculation to determine compliance with *Education Code* Section 48660.2(b). This section requires that the total of direct instructional costs and documented support costs of the community day schools must equal at least 90 percent of the revenues generated on behalf of pupils enrolled in the community day schools. Indirect costs are not considered direct instructional nor documented support expenditures.

### **19. Can entities other than LEAs get an indirect cost rate?**

The CDE may assign indirect cost rates to non-LEAs that receive funding from the CDE as long as the non-LEA receives little or no funding directly from any federal agency. (A non-LEA that receives funding directly from a federal agency would apply to that agency for a rate.) Examples of non-LEAs covered by this include private schools, consortia, and nonprofit entities (other than charter schools).

Non-LEAs requesting an indirect cost rate from the CDE should contact the Office of Financial Accountability and Information Services by e-mail or by phone as listed in the Questions section of this page.

## **2013-14 CONSOLIDATED CALENDARS**

## 2013-14 Consolidated Calendars

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
24-May	RL Data Collection	Data Collection Letter sent from COE to Districts for 2013-14 Budget	
3-June	RL Data Collection	Data Collection Due from Districts to COE for 2013-14 Budget	
17-June	Revenue Limit Calc Due to Districts	Revenue Limit Calc Due from COE to Districts for 2013-14 Budget	
1-Jul	Budget	District adopts budget and files with COE	42127(a)(2)
		Charter school budget due to chartering authority and COE	47604.33(a)(1)
1-Jul	Annual Attendance	Annual Attendance Data Due from Districts & Charters to COE – Cumulative ADA July 1 – June 30	41601
1-Jul	Calendars	Board Approved Calendars for Next FY Due to COE. (Charters included)	
4-Jul	Independence Day	SCCOE Closed	
8-Jul	Lottery	3rd Quarter Lottery Expected from Treasurer	
9-Jul	RL Data Collection	Data Collection Letter sent from COE to Districts for 2012-13 Proj. Annual AP/AR Rev Limit Calculations <i>(Will used for Annual Submission to CDE unless District has changes)</i>	
11-Jul	Last interfund Cash Transfers for FY 12-13	<b>This is the last day that transactions will be sent to the Treasurer for fiscal year 12-13. All entries moving cash between funds after July 11th, must be processed via Due to- Due-from transactions</b>	
19-Jul	P-Annual	All Local Educational Agency (LEA) 2012-13 Annual attendance data to CDE	
22-Jul	Adv. Apportionments	Certification of the 2013-14 Advance Apportionment for school districts, COEs, and continuing charter schools available from CDE website	PER CDE Website Calendar
23-Jul	RL Data Collection	Data Collection Due from Districts to COE for 2012-13 Projected Annual AP/AR Rev Limit Calculations	

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
30-Jul	13-14 PENS	2013-14 PENSEC for New and Significantly Expanding Charter Schools(adding a grade level or some other qualifying event) Data & Signed Certifications Due to CDE by LEA	
6-Aug	Revenue Limit Calc Due to Districts	Revenue Limit Calc Due to Districts from COE for 2012-13 Projected Annual AP/AR Rev Limit Calculations	
8-Aug	DBAS Deadline	Last Day for DBAS to post to Districts 12-13 Books-DBAS will finalize all 12-13 transaction postings	
15-Aug	Budget	COE approves, conditionally approves, or disapproves district budgets	42127(d)
30-Aug	FY 12-13 Cutoff	FY 12-13 Cut off for district transactions through the QSS System	
30-Aug	FY 12-13 QSS Reports	<b>TSB will not be generating Fiscal Year End Reports unless otherwise notified by the District on this date. Contact the TSB Helpdesk at 408.453.6748</b>	
2-Sep	Labor Day	SCCOE Closed	
15-Sep	Unaudited Actual Data, including Gann, to COE	District unaudited actual data, including Gann***, due to COE	42100(a), GC 7906(f)
		Charter school unaudited actual data due to chartering authority and COE	47604.33(a)(4)***, 42100(b)
20-Sep	RL Data Collection	<b>Data Collection Letter sent from COE to Districts-2013-14 First Interim</b> <i>(Will used for P-1 submission to CDE unless District has changes)</i>	
23-Sep	Disapproved Budgets	COE notifies SSPI of district budgets which may be disapproved	42127(f),42127(i)(2)
Sept- TBD	2013-14 Special Advance Apportionment	Certification of the 2013-14 Special Advance Apportionment, based on PENSEC data for newly operational charter schools and continuing charter schools adding one or more grade levels, available from CDE website	PER CDE Website Calendar
23-Sep	Prior Year P2 Corrections due to COE from Districts	Submit prior year corrections to DBAS that will be applied to 2013-14 First Principal Apportionment via revenue software in "corrected" mode or applicable form	
1-Oct	RL Data Collection (OPTIONAL)	Data Collection Due from Districts to COE for 2012-13 Annual Revenue Limit Calculation <i>(Only if District has changes from Projected Annual)</i>	



DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
3-Oct	Prior Year P2 Corrections	COE to Submit prior year corrections to the CDE that will be applied to 2013-14 First Principal Apportionment via revenue software in "corrected" mode or applicable form	PER CDE Website Calendar
8-Oct	Revenue Limit Calc Due to Districts (OPTIONAL)	Revenue Limit Calc Due from COE to Districts for 2012-13 Annual Certification <i>(Only if District has changes from Projected Annual)</i>	
8-Oct	Disapproved Budgets	COE notifies SSPI of district budgets which <b>have</b> been disapproved or budget committees waived	42127(h)
<b>11-Oct</b>	<b>RL Data Collection</b>	<b>Data Collection Due from Districts to COE for 2013-14 First Interim</b>	
<b>11-Oct</b>	<b>Update MIRADA System - Month 1</b>	<b>"Due to COE 4 weeks after month*****"</b>	<b>N/A</b>
15-Oct	Unaudited Actual Data, including Gann, to SSPI	After reviewing for accuracy, COE transmits district and charter school unaudited actual data, including Gann***, to SSPI	42100, GC 7906(f)
<b>31-Oct</b>	<b>Revenue Limit Calc Due to Districts</b>	<b>Revenue Limit Calc Due from COE to Districts for 2013-14 First Interim</b>	
31-Oct	Budget Adoption Cycle	COE notifies SSPI of district and COE 2013-14 budget adoption cycles (via the unaudited actual software data submission due to SSPI October 15, 2013)	1622(e) 42127(i)
<b>11-Nov</b>	<b>Veterans Day</b>	<b>SCCOE Closed</b>	
<b>14-Nov</b>	<b>Update MIRADA System - Month 2</b>	<b>Due to COE 4 weeks after month*****</b>	<b>N/A</b>
15-Nov	2013-14 First Principal Apportionment (P-1)	2013-14 First Principal Apportionment Property Tax estimates available from State Controller's Office	PER CDE Website Calendar
15-Nov	Annual RL Prior Year Cert Due to CDE	Annual Prior Year Cert Due from COE to CDE for 2012-13 RL Calc	PER CDE Website Calendar
<b>28-29-Nov</b>		<b>Thanksgiving Holiday- SCCOE Closed</b>	

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
6-Dec	Update MIRADA System - Month 3	Due to COE 4 weeks after month*****	N/A
15-Dec	Audit	District prior year audit due to COE, SSPI, and State Controller	41020(h),
		Charter school prior year audit due to chartering authority, COE, SSPI, and State Controller	47605(m),41020(h)
	1 <sup>st</sup> Interim (Oct 31)	District 1 <sup>st</sup> interim due to SCCOE	42131(a)(1) and (2)
	<b>Warm Body Count</b>	<b>Warm Body Count Due to SCCOE</b>	
Dec. 2013 (Day TBD)	2013-14 Special Advance Apportionment	Certification of the 2013-14 Second Special Advance Apportionment, based on 20 day data for newly operational charter schools and continuing charter schools adding one or more grade levels, available from CDE website	PER CDE Website Calendar
<b>Dec-24-25, Dec 31st and Jan 1st</b>		<b>Winter Holiday- SCCOE Closed</b>	
<b>2014</b>			
3-Jan	Update MIRADA System - Month 4	Due to COE 4 weeks after month*****	N/A
10-Jan	P-1	Cumulative ADA starting the first day of school through a full attendance month*****	<b>41601</b>
10-Jan	RL Data Collection	Data Collection Letter sent from COE to Districts for 2013-14 Second Interim <i>(Will be used for P-2 submission to the State unless District has changes)</i>	
14-Jan**	1st Interim Status Report	COE reports to SSPI and State Controller on all district 1st interim certifications	42131(a) 2 (c)
17-Jan	2013-14 First Principal Apportionment (P-1)	P-1 Due to the CDE by COE- Cumulative ADA starting the first day of school through a full attendance month*****	41601
		Submit funding selection for Necessary Small Schools via the new 2013-14 Principal Apportionment Revenue Software to CDE.	PER CDE Website Calendar
20-Jan	<b>Martin Luther King Day</b>	<b>SCCOE Closed</b>	
28-Jan	RL Data Collection	Data Collection Due from Districts to COE for 2013-14 Second Interim <i>(Pushed date back to wait for State's Budget release)</i>	

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
Feb 17th & 18th		President's Day - SCCOE Closed	
1-Mar	Update MIRADA System - Month 6	Due to COE 4 weeks after month*****	N/A
17-Mar	RL Data Collection (OPTIONAL)	Data Collection Form sent from COE to Districts for 2013-14 P-2 (Second Principal) <i>(ONLY SENT IF DISTRICT REQUESTS)</i>	
17-Mar	Second Interim	Charter school 2nd Interim due to chartering authority and COE	47604.33(a)(3)
		District 2nd interim due to COE (COE sends to SSPI and State Controller if qualified or negative)	42131(a)(1) and (2)
17-Mar	Prior Year Audit Findings	Prior Year Audit findings - Corrections to COE- District and Charter Schools are required to submit certification of compliance to COE	
28-Mar	Update MIRADA System - Month 7	Due to COE 4 weeks after month*****	N/A
4-Apr	RL Data Collection (OPTIONAL)	Data Collection due from Districts to COE for 2013-14 P-2 (Second Principal) <i>(Only if District has changes from Second Interim)</i>	
15-Apr **	Second Interim	Qualified and Negative 2nd Interims Report- COE reports to SSPI and State Controller on district qualified and negative 2nd interim certifications	42131(a)(2)
		COE reports to SSPI and State Controller on all district 2nd interim certifications	42131(c)
15-Apr	P-2 RL Cert Due to CDE	P-2 (Second Principal) Cert Due from COE to CDE for 2013-14 RL Calc	PER CDE Website Calendar
1-May	P-2	Due From COE to CDE- P-2 Cumulative ADA starting the first day of school through a full attendance month*****	41601
	Revenue Limit Calc	Revenue Limit Calculation- Second Principal (P-2)- Submit funding selection for Necessary Small Schools via the new 2012-13 Principal Apportionment Revenue Software	PER CDE Website Calendar

DATE DUE*	ITEM	DESCRIPTION	EDUCATION CODE
12-May	Revenue Limit Calc Due to District	Revenue Limit Calc Due from COE to Districts for 2013-14 P-2 (Second Principal) including certified P-2 ADA information	
15-May	Audit Status Report	COE certifies district audits to SSPI and State Controller	41020(k)
28-May	Update MIRADA System - Month 9	Due to COE 4 weeks after month*****	N/A
28-May	RL Data Collection	Data Collection Letter sent from COE to Districts for 2014-15 Budget	
26-May	Memorial Day Holiday	SCCOE Closed	
3-June	RL Data Collection	Data Collection Due from Districts to COE for 2014-15 Budget	
1-Jun	6/30 Projection	June 30 projections for the period ending April 30 due to COE, SSPI, and State Controller if district had a qualified or negative 2nd interim	42131(e)
17-June	Revenue Limit Calc Due to Districts	Revenue Limit Calc Due from COE to Districts for 2014-15 Budget	
21-Jun	Update MIRADA System - Month 10	Due to COE 4 weeks after month*****	N/A
1-Jul	Budget	District adopts budget and files with COE	42127(a)(2)
		Charter school budget due to chartering authority and COE	47604.33(a)(1)
1-Jul	P-Annual Data	P-Annual Data Due from Districts to COE- Cumulative ADA starting the first day of school through a full attendance month*****	41601
2-Jul	P-2 Certification Avail.	2013-14 Second Principal Apportionment (P-2)- Certification of the 2013-14 available from CDE website	PER CDE Website Calendar

**Legend**

Note: The term, “local educational agency”, as used in EC 41020 includes school districts, county offices of education, educational joint powers agencies, and charter schools.

\* Due dates are established in law unless otherwise noted. In accordance with GC 6700, GC 6707, and GC 6803, if the due date falls on a Saturday, Sunday, or holiday, the reporting date shall be the following workday. Unless stated otherwise, “days” means calendar days.

\*\*\*\*\*EC 37201, an attendance month is defined as four Monday through Friday weeks totaling 20 days – including holidays, other non-service days, pupil free days

**REVENUE AND EXPENDITURE ACCRUAL  
INFORMATION**

## Resources

### California School Accounting Manual

Education Code Section 41010 requires local educational agencies (LEAs) to follow the definitions, instructions, and procedures in the California School Accounting Manual (CSAM). CSAM provides accounting policies and procedures, as well as guidance in implementing those policies and procedures, which include:

- Basis of accounting
- Revenue and expenditure recognition
- Fund types
- Types of transactions
- Methods of posting transactions, including adjusting entries
- Documentation required to substantiate certain transactions
- Year-end closing process, including the recording of accruals and deferrals

For the 2008 edition of the CSAM manual, in addition to routine coding updates and clarifying guidance, a procedure has been added that addresses postemployment benefits other than pensions.

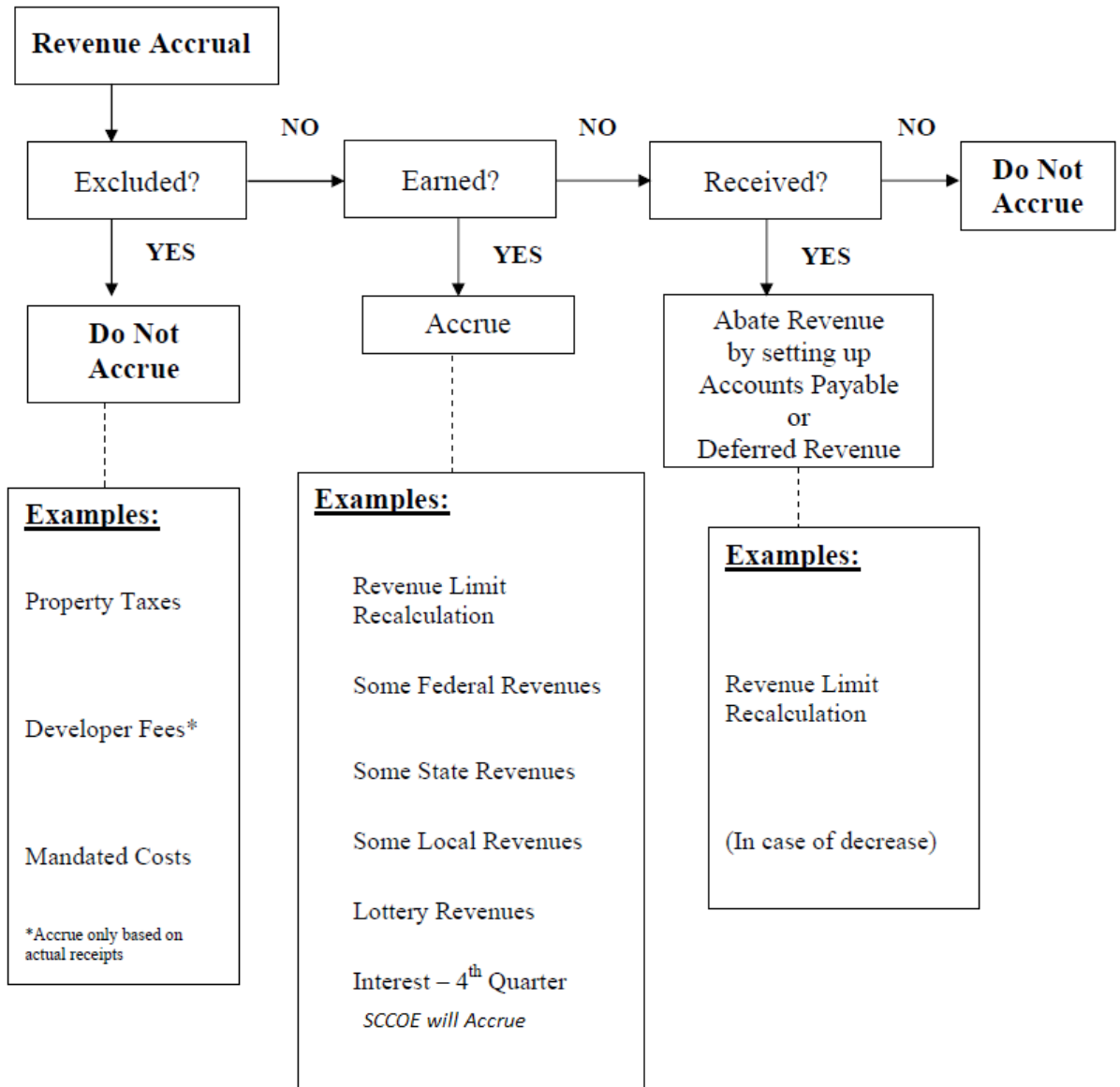
CSAM does not provide guidance on every possible transaction. LEAs encountering problems not addressed in the manual should consult the Governmental Accounting Standards Board's (GASB's) publication or contact their independent auditors, their county office of education, or the California Department of Education, School Fiscal Services Division, (916) 322-1770, for technical assistance. CSAM can be viewed or downloaded from the CDE website:

**<http://www.cde.ca.gov/fg/ac/sa>**

Accounting personnel should be familiar with the principles and statements issued by the GASB, which is recognized nationally as the primary standard-setting body for governmental accounting. The principles and statements of GASB are available in its publication titled Codification of Governmental Accounting and Financial Reporting Standards, available from:

Governmental Accounting Standards Board  
P.O. Box 30784  
Hartford, CT 06150  
(800) 748-0659  
<http://www.gasb.org>

## Revenue Accrual Chart



## Revenue Recognition and Accrual

### A. General Accounting Principles in Revenue Recognition for school districts

In the modified accrual basis of accounting, used for governmental funds, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. The term *available* means collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. Generally, *available* is defined as collectible within 45, 60, or 90 days. However, to achieve comparability of reporting among California school districts, with specific respect to reimbursement grants and corrections to state-aid apportionments, the California Department of Education has defined *available* as collectible within one year.

### B. Guidance for Recognition of Common Revenue Sources

#### ▪ Revenue from the State

##### Year-End Correction for Revenue Limits and other State Apportionments

Second period to annual corrections for revenue limits and other state apportionments (either positive or negative) should be accrued at the end of the fiscal year. For example, the annual calculations of the revenue limit should be made, and the actual tax receipts as reported by the county auditor (Form J-29) should be subtracted, to determine the annual state aid to which the LEA is entitled. Any difference between the annual calculated state aid and the state aid received on the second principal apportionment would be recorded as an accounts receivable (if positive) or accounts payable (if negative).

Under SBXI18 of 2003, Period 2 apportionment is permanently shifted from June to July.

SBXI18 authorizes school agencies to book the P-2 apportionment deferred, along with the amounts previously deferred, as a receivable.

A spreadsheet of the payment schedule is available on the CDE website at:

[www.cde.ca.gov/fg/](http://www.cde.ca.gov/fg/)

##### Prior Years' Corrections to State Apportionment

Any corrections to state apportionments from amendments to prior years' state reports are reflected as revenue and accrued as accounts receivable or payable in the year in which the adjustment amounts become known and the amendments are filed, provided that the actual cash adjustments are expected to be made no later than the following fiscal year.

##### Property Taxes

LEAs should recognize property tax revenues actually received as reported on the CDEs Principal Apportionment Tax Software, used by county offices of education and county



auditors to report school district and county taxes. LEAs should make no accrual for property taxes receivable as of June 30.

#### Mandated Costs Revenue

Mandated costs revenue does not become available until appropriated by the legislature and approved by the Governor. Therefore, revenue from claims for mandated costs is recorded on a cash basis. However, if a known amount is received within 60 days of the close of the fiscal year, the LEA will accrue the amount as receivable and recognize the revenues in the year in which it becomes known.

In the past few years, funding has been inconsistent in the state budget for reimbursing school districts for the additional costs incurred due to state mandates. In addition, recent statistics show 81% of claimed costs were disallowed. It was recommended at one point that school districts reserve 80% of the reimbursements received in the unrestricted ending balance pending final audit. With the change of guard in the state controller's office late in 2006, the handling of disallowable claims has been shifted from demanding cash payback to an offset against future claims. As a result, districts are no longer required to reserve the mandated costs revenues. Nonetheless, districts still need to exercise extreme care in projecting cash flow and upcoming revenues for the mandated cost reimbursements.

#### Deferred Maintenance Apportionment

The Deferred Maintenance Apportionment is recognized in the year it is appropriated in the state budget act and apportioned to LEAs. The LEAs matching transfer to the deferred maintenance fund for FY 09-10 is suspended for 2009-10 through 2012-13 and will be reinstated in 2013-14 per the enacted 2008-09 budget reduction package and the 2009-10 budget act signed by the Governor on February 20, 2009.

#### State Lottery Revenue

The estimated fourth quarter payment of State lottery revenues is accrued at the end of the fiscal year. The adjustment payment of lottery revenues from prior year to current year ADA is reflected as revenue in the year in which the adjusting payment is received. Districts should use the most recent estimate for the year and subtract the apportionments received; the difference should be accrued as a receivable for the year. Accruals must be posted no later than August 30, 2013.

### Categorical Funds Subject to Deferred Revenue

Districts commonly receive grant awards that are “reimbursement-type” or “expenditure-driven.” These awards may be mandated by the government or may have been accepted voluntarily by the district. The eligibility requirements of these awards have not been met until the district has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received, but unspent, at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended. For example, if a \$10,000 federal grant has been received, but only \$8,125 has been expended by the end of the fiscal year, only \$8,125 revenue is recognized. The unspent \$1,875 should be deferred to the next fiscal year to be recognized as revenue if spent.

### Categorical Funds Subject to Fund Balance

Districts commonly receive funds for which they have fulfilled specific eligibility requirements or have provided a particular service. For example, a district may be granted funds to transport students, to provide meals to students, or to offer supplemental classes to at-risk students. Once districts have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the district’s ending fund balance.

Labels such as “grants” or “entitlements” are sometimes used for restricted categorical resources. These terms do not necessarily define the characteristics necessary for proper revenue recognition. Care should be taken to understand the characteristics of each resource to determine how revenue should be recognized by the district.

## **Revenue from Internal Transfers**

### Routine Repair and Maintenance Account (RRMA)

Education Code 17070.75 states that any school district or County Office of Education (COE) with a School Facility Program project funded after November 1998 must establish a Routine Repair and Maintenance Account (RRMA) (resource 8150). As part of the School Facility Program ongoing requirements, an annual minimum contribution must be made into the RRMA. Per the enacted 2008-09 Budget Reduction Package and the 2009-10 Budget Act signed by the Governor on February 20, 2009, the required contribution amount for 2008-09 through 2012-13 is reduced from 3% to 1% of adopted district general fund budget. The RRMA contribution will revert back to 3% in 2013-14.

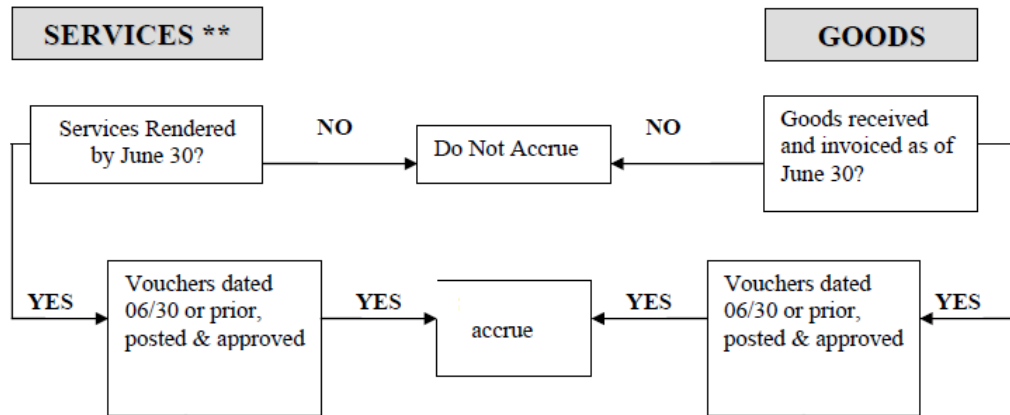
### **Tax and Revenue Anticipation Notes (TRANS)**

Tax and revenue anticipation notes (TRANS) are short-term debt instruments issued by school districts (both K-12 and community colleges) in anticipation of taxes or other revenues to be collected at a later date. They are used to finance temporary cash flow shortfalls arising from the normal mismatch between the timing of expenditures and the receipt of revenues. The notes are repaid from the revenues to which they relate.

TRANS can mature in either the same fiscal year as issued or in the following fiscal year. Because TRANS are short term rather than long term; they are reported as a current loan (object 9640) in the fund receiving the proceeds.

Districts should refer to the California School Accounting Manual, procedure 715 for an illustrated example of the TRANS journal entries.

## Expenditure Accrual Flowcharts



**\*\* Services would include:**

Utilities

Commercial/Professional Contracts

Contracts with County Office of Education

# **EXPORTING DATA OFFICIAL**

## Exporting Data—Official

Once all of your data have been imported and/or entered, edited, and reviewed by LEA staff, and the certification forms have been printed and signed, the data can be exported to disk for submission to your reviewing agency, if necessary.

During the Official export process, the software will run the TRC for the applicable data types to ensure the data are ready for an Official export. (See the table below for the data types applicable to each reporting period's official export.) If any of the technical review checks fail, the export process will abort, and the Export Log will display the names of the exceptions, for each applicable data type, that prevent the official export from occurring, as well as direct you to the TRC Explanations screen to review the failed checks (exceptions) that are still outstanding. All outstanding exceptions must be corrected or explained before an Official export can occur. If you are using an Official option and exporting several LEAs, those that pass the checks will be exported; only the LEAs with exceptions outstanding will not export.

<b>If Officially Exporting Data From This Reporting Period</b>	<b>Then These Types of Data Must Pass the TRC</b>
July 1 Single/Dual Budgets	Budget and Estimated Actuals
September 8 Dual Budget	Budget and Estimated/Unaudited Actuals
Unaudited Actuals	Unaudited Actuals*
1 <sup>st</sup> /2 <sup>nd</sup> Interims/End of Year Projection	Original Budget* and Projected Year Totals*

\*Although budget data during unaudited actuals period, and board approved budget and actuals to date data during the interim periods, are not checked for Official export, we strongly recommend all fatal exceptions are corrected and warning exceptions are corrected or explained for these types of data.

**Follow these steps to perform an Official export:**

- Select the Official export option.
  - The default drive for this type of export is C:\. If desired, select a different drive from the Export Drive and Directory dropdown box (e.g., your system's CD or diskette drive). Upon export, the software will create a subdirectory named "SACS2013ALL\Official" on the selected drive; you are not able to designate any other subdirectory for an Official export.
- Select the LEA(s) you wish to export; the software will default to the LEA set in Preferences. To select multiple LEAs, press and hold the **Ctrl** key, then click on each LEA to export.
- Once the Export Drive, the Official option, and the LEA(s) have been selected for export, click on the Export button to begin the export process, including the validation checks.

At the end of each LEA's export, the Export Log displays the location (drive and subdirectory) to which the LEA's file was exported. Any existing files in the destination subdirectory with the same CDS codes and "reporting period" identifiers as those being exported will be overwritten.

After the data are exported, the exported .dat file can then be used to import the data into another computer by following the "IMPORT—OFFICIAL" directions in the IMPORTING DATA section of the SACS Software User Guide.

# **SAMPLE GASB 54 BOARD RESOLUTIONS**



**Bulletin: 11-034**

Date: March 29, 2011

To: District Fiscal Directors

From: Cathy McKim

**Re: GASB54 Sample Fund Balance Policies – Bulletin 11-034**

The Governmental Accounting Standards Board (GASB) has issued Statement 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions* which is effective for financial statements for fiscal year 2010-11. GASB Statement No. 54 will shift the focus of fund balance reporting from the availability of fund resources for budgeting to “the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.”

The new standard establishes five components of fund balance. Because circumstances differ among governments, not every government or every governmental fund will report all of those components.

With the implementation of GASB 54, fund balance classifications comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints (restrictions or limitations) imposed upon the use of the resources reported in governmental funds.

While GASB Statement No. 54 does not change the actual amount of fund balance reported, and does not change most aspects of day-to-day accounting; however, it is important that your district establish a Fund Balance Policy. The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. Attached to this bulletin are some sample policies that you may use.

Please share this information internally as appropriate.

*Approved by: Nimrat Johal- Director- District Business & Advisory Services*

**GASB 54- Sample Policy #1**

**SAMPLE XYZ SCHOOL DISTRICT POLICY NO. 3XXX**

**CLASSIFICATION: Business and Non-instructional Operations**

**ADOPTED: xx/xx/xx**

**REVISED: xx/xx/xx**

**SUBJECT: Fund Balance Policy PAGE: 1 of 1**

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. It also is intended to preserve flexibility throughout the fiscal year to make adjustments in funding for programs approved in connection with the annual budget. The Fund Balance Policy should be established based upon a long-term perspective recognizing that stated thresholds are considered minimum balances. The main objective of establishing and maintaining a Fund Balance Policy is for the district to be in a strong fiscal position that will allow for better position to weather negative economic trends.

The Fund Balance consists of five categories: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

- **Nonspendable Fund Balance** consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.
- **Restricted Fund Balance** consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
- **Committed Fund Balance** consists of funds that are set aside for a specific purpose by the district's highest level of decision making authority (governing board). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- **Assigned Fund Balance** consists of funds that are set aside with the intent to be used for a specific purpose by the district's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

GASB54- Sample Policy #1

**Unassigned Fund Balance** consists of excess funds that have not be classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

### **Non-spendable and Restricted Funds**

**Non-spendable funds** are those funds that cannot be spent because they are either:

- 1) Not in spendable form (e.g. inventories and prepaids)
- 2) Legally or contractually required to be maintained intact

It is the responsibility of the Chief Business Official to report all Non-spendable Funds appropriately in the District's Financial Statements.

**Restricted funds are those funds that have constraints placed on their use either:**

- 1) Externally by creditors, grantors, contributors, or laws or regulations or other governments
- 2) By law through constitutional provisions or enabling legislation.

It is the responsibility of the Chief Business Official to report all Restricted Funds appropriately in the District's Financial Statements.

### **Classifying Fund Balance Amounts**

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless the governing board has provided otherwise in its commitment or assignment actions.

### **Authority to Commit Funds**

The district's governing board has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

## **GASB 54- Sample Policy #1 Cont'd.**

### **Stabilization Arrangement**

Maintaining a Financial Stabilization Account is a necessity for sound financial management and fiscal accountability. The district's governing board has the authority to establish a Financial Stabilization Account that will be a Committed Fund Balance. A Financial Stabilization Account is established for the purpose of providing funds for an urgent event that affects the safety of the employee and student population (e.g. earthquake, wildfires, etc.). The minimum level for the Financial Stabilization Account is 5% of General Fund expenditures. The recognition of an urgent event must be established by the governing board or their designee (e.g. Superintendent). If established by the governing board's designee, the specific urgent event must be reported to the governing board at their next meeting. A budget revision must be approved by the district's governing board. In the event that the balance drops below the established minimum level, the district's governing board will develop a plan to replenish the Financial Stabilization Account balance to the established minimum level within four years.

### **Authority to Assign Funds**

Upon passage of the Fund Balance Policy, authority is given to the district's Chief Business Official to assign funds for specific purposes. Any funds set aside as Assigned Fund Balance must be reported to the district's governing board at their next regular meeting. The governing board has the authority to remove or change the assignment of the funds with a simple majority vote.

The district's governing board has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned Fund Balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

### **Unassigned Fund Balance**

Unassigned Fund Balance is the residual amount of Fund Balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned Fund Balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue shortfalls.

Unassigned Fund Balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the District's governing board. In the event of projected revenue shortfalls, it is the responsibility of the Chief Business Official to report the projections to the district's governing board on a quarterly basis and shall be recorded in the minutes.

**GASB 54- Sample Policy #1 Cont'd.**

Any budget revision that will result in the Unassigned Fund Balance dropping below the minimum level will require the approval of 2/3 vote of the district's governing board.

The Fund Balance Policy establishes a minimum Unassigned Fund Balance equal to 8% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the District's governing board will develop a plan to replenish the fund balance to the established minimum level within two years.

## **GASB 54- Sample Policy #2**

### **POLICY AND PROCEDURES**

**Subject: Fund Balance for the General Fund**

**Effective Date**

**Issued Date**

**Resolution Number: 2011-**

**Approval Date:**

#### **I. PURPOSE**

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the District against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

The policy also authorizes and directs the Chief Business Official to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

#### **II. GENERAL POLICY**

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the District is bound to honor constraints on the specific purpose for which amounts can be spent.

- Nonspendable fund balance (*inherently nonspendable*)
- Restricted fund balance (*externally enforceable limitations on use*)
- Committed fund balance (*self-imposed limitations on use*)
- Assigned fund balance (*limitation resulting from intended use*)
- Unassigned fund balance (*residual net resources*)

## **GASB 54- Sample Policy #2 Cont'd.**

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on the financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

### **III. PROVISIONS**

#### **Committed Fund Balance**

The Governing Board, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specific use through the same type of formal action taken to establish the commitment. Governing Board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30<sup>th</sup>; however, the amount can be determined subsequent to the release of the financial statements. At the time of adoption of this policy, the District does not have any reserves that meet this component of fund balance.

#### **Assigned Fund Balance**

Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Chief Business Official for the purpose of reporting these amounts in the annual financial statements.

#### **Unassigned Fund Balance**

These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories. There are some reserves that do not meet the requirements of the fore mentioned components of fund balance.

## **GASB 54- Sample Policy #2 Cont'd.**

For financial statement reporting purposes these reserves are included in unassigned fund balance. This includes:

**Reserve For Economic Uncertainty Reserve** – The District will maintain an economic uncertainty reserve of at least 3% of total General Fund operating expenditures (including other financing). The primary purpose of this reserve is to avoid the need for service level reductions in the event of an economic downturn causes revenues to come in lower than budget. This reserve may be increased from time to time in order to address specific anticipated revenue shortfalls (state actions, etc.).

### **Fund Balance Classification**

The District considers restricted fund balances to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. This policy is in place to provide a measure of protection for the District against unforeseen circumstances and to comply with GASB Statement No. 54. No other policy or procedure supersedes the authority and provisions of this policy.



## **GASB 54- Sample Policy #4**

### **FUND BALANCE POLICY**

#### **A. Fund Balance Policy**

The District hereby establishes and will maintain reservations of Fund Balance, as defined herein, in accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Policy shall only apply to the District's governmental funds. Fund Balance shall be composed of nonspendable, restricted, committed, assigned and unassigned amounts.

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the District, in accordance with policies established by the Governing Board.

#### **B. Definitions**

**Fund Balance** – refers to the difference between assets and fund liabilities in the governmental funds balance sheet and is referred to as fund equity.

**Non-Spendable Fund Balance** – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (principal of an endowment fund, for example).

**Restricted Fund Balance** – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors), or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

**Committed Fund Balance** – Amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision making authority. Commitments may be changed or lifted only by the Governing Board taking the same formal action that imposed the constraint originally.

**Assigned Fund Balance** – Amounts the District intends to use for a specific purpose.

**Unassigned Fund Balance** – The residual classification for the general fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

**C. Classification of Fund Balance**

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

The fund balances of the District’s governmental funds include but are not limited to:

**Non-spendable Fund Balance**

*a. Stores-* The stores fund balance is established to indicate those amounts relating to inventories that are not in spendable form.

*b. Prepaid and Revolving Cash-* The prepaid and revolving cash fund balance is established to indicate those amounts relating to pre-pays and deposits that are not in spendable form.

**Restricted Fund Balance**

*Encumbrances-*The District encumbers funds associated with a purchase order which is evidence of a contract by third party restriction.

**Committed Fund Balance**

The Governing Board hereby establishes the following committed fund balance:

*a. Deferred Maintenance*

The District has elected to continue the use of the Deferred Maintenance Fund 14 and transfer state apportionments into the fund. Expenditures are also authorized according to the five-year plan and may be made with appropriate approval.

*b. Fiscal Stabilization Arrangement*

A minimum reserve of 15 percent of the General Fund beginning adopted appropriations (expenditure budget) should be incrementally established and maintained for use in meeting unanticipated needs and/or emergencies.

#### **GASB 54- Sample Policy #4**

Use of Stabilization Fund Balance. The amount shall be used only after all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as would occur in the event of a natural disaster (i.e. earthquake, wildfires, etc). Once the Chief Administrative Officer or his/her designee has determined that it is necessary to draw down fund balance, written communication should be provided by the CAO to the Governing Board, explaining the nature of the unanticipated need and/or emergency and requires approval by a two-thirds vote of Governing Board. A maximum of fifty percent of the shortfall or fifty percent of the prior fiscal year ending balance in the Stabilization may be drawn, whichever is less. At no time may the balance be less than 7.5 percent of adopted annual appropriations or half of the prior fiscal year ending balance, whichever is greater. The Stabilization Fund Balance may not be used for more than two consecutive years.

Replenishment of Stabilization Fund Balance. If the reserves are drawn down below the minimum required level of 15 percent, then a budgetary plan shall be implemented to return the reserve to a minimum 15 percent level in no more than a 5 year period. The progress of replenishment should be reported in the annual budget.

Funding of Stabilization Fund Balance. Proceeds from the sale of District owned surplus property and any other funds identified in the budget will be used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

#### Assigned Fund Balance

- b. *Carry Forward* The carry forward fund balance is identified by the Chief Business Official (CBO) at the close of each fiscal year, subject to approval of Governing Board, and is comprised of the district and departmental/site carry forwards.
- c. District Carry Forward – funds identified in the annual budget (and any revisions thereto) to provide for differences, if any, between budgeted revenues and expenditures.

Departmental/site carry forward – funds for which appropriations have been made in previous fiscal years that have been approved by the CBO to be carried forward to subsequent fiscal years, subject to Governing Board approval.

#### D. Authority to Assign

The CBO shall have authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the Governing Board.

#### E. Minimum Level of Unassigned Fund Balance

The District does not currently have a formal minimum fund balance policy.

F. Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed, presented and discussed as part of the Unaudited Actuals Financial Reporting process and presentation to Governing Board, and the amounts of non-spendable, restricted, committed, assigned and unassigned fund balances shall be reported.

G. Additional Information, Requirements and Responsibilities

It will be the responsibility of the Chief Administrative Officer to keep this policy current and up-to-date.

**SAMPLE RESOLUTION TO ESTABLISH FUND BALANCE POLICIES  
AS REQUIRED BY GASB 54 #R \_\_\_\_\_**

At a regular meeting of the \_\_\_\_\_ School District Board of Trustees held on \_\_\_\_\_, 2011, on a motion made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the Board adopts the following resolution:

**WHEREAS**, the Governmental Accounting Standards Board (GASB) has adopted Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, that is effective in fiscal year 2010-2011, and

**WHEREAS**, the \_\_\_\_\_ School District wishes to comply with GASB 54 as required beginning with the current July 1, 2010 – June 30, 2011 fiscal year;

**NOW THEREFORE BE IT RESOLVED** that the Board of Trustees hereby adopts the following policy:

***FUND BALANCE POLICY NO.***

Fund balance measures the net financial resources available to finance expenditures of future periods. The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Trustees.

Fund Balance of the District may be committed for a specific source by formal action of the Board of Trustees. Amendments or modification to the committed fund balance must also be approved by formal action of the Board of Trustees. Committed fund balance does not lapse at year-end. The formal action required to commit fund balance shall be by board resolution or majority vote.

The Board of Trustees delegates authority to assign fund balance for a specific purpose to the Chief Business Official of the District.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balances shall be reduced first from the committed fund balance, then from the assigned fund balance and lastly, the unassigned fund balance.

GASB 54- Sample Resolution #1

The Board of Trustees recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a minimum fund balance of \_\_\_\_% of the District's general fund annual operating expenditures. If a fund balance drops below \_\_\_\_%, it shall be recovered at a rate of 1% minimally, each year.

This policy should be revisited each year for review.

The above Resolution is adopted this \_\_\_\_\_.

Ayes:

Nays:

Abstain:

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Sample Memorandum of Agreement to Reopen QSS  
Sample Memorandum of Agreement

Between Name of School District and Technology Services Branch

This agreement is made and entered into good faith between the **Technology Services Branch (TSB)** of the Santa Clara County Office of Education and the **Name of School District** (Client). This agreement involves the reopening of the 2012-13 fiscal year records to enable the client to make adjustments after the initial closing date of August 30, 2013. TSB will permit the client to reopen its books beginning September 1, 2013 for a fee of **\$1,000.00**.

Client will close their 2012-13 year by **March 2014**. Reports will be available 5-10 working days after the new closing date depending on TSB's production schedule.

Any subsequent reopening of records will cost **\$1,000.00**.

Please sign this agreement to confirm your understanding of the services that will be provided and fax to TSB at 408-453-3672. Note that any deletions, additions or modifications to this memorandum of agreement must be mutually acceptable to both parties.

**For security purposes please list the user name and user ID of people needing access:**

User Name: _____	User ID: _____
User Name: _____	User ID: _____
User Name: _____	User ID: _____
User Name: _____	User ID: _____
User Name: _____	User ID: _____

**In witness whereof, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.**

Technology Services Branch (TSB)

Name of School District

By \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

cc: Cindy Patterson, Application Support Coordinator, TSB  
Jan Howard, Administrative Assistant, TSB (408) 453-6727

# **Sample Internal Closing Schedule**



## Sample Internal Closing Schedule

### BUSINESS SERVICES

#### Schedule of Important Closing Dates

#### Fiscal Year End June 30, 2013

- Purchase Order, Purchase Requisition, and Store Order Deadlines
  - April 29 - Purchase Requisitions over \$50k
  - May 06 - Purchase Requisitions between \$25k & \$50k
  - May 13 - Purchase Requisitions between \$5,000 & \$25,000
  - May 20 - Purchase Requisitions under \$5,000
  - June 03 – Last day for stores orders for FY 2012-13
  - June 10 – Last day for P.O. Change Orders
- P-Card Deadlines
  - Approve transactions & submit receipts within three business days of month-end
  - May 4 – April P-Card transactions
  - June 3 – May P-Card transactions
  - July 6 – June P-Card transactions
- Reimbursement Claim Deadlines (Mileage, Travel, etc.)
  - Due Monthly, anything prior to April is due by April 29
  - May 27 – April Reimbursements
  - June 30 – May Reimbursements
  - July 6 – June Reimbursements
- AR Billing & Invoice Deadlines
  - June 24 – AR cancel requests
  - June 24 – AR invoices
- Journal, Cash Transfer, Deposit, A/P Invoice Deadlines
  - June 13 – Begin submitting A/P Invoices and Journal Entries (JE) corrections to avoid missing final close deadlines
  - June 24 – Cash Transfers between funds 120, 350 and General Fund
  - June 24 – Cash Deposits
  - July 15 – Final A/P Invoices for products/services received by June 30<sup>th</sup>
  - July 15– Final Journal Processing for corrections needing to be posted by June 30<sup>th</sup>

**Please Note:** It is important that you immediately contact your purchasing and accounting representative if you have large or complicated purchases that have not been previously communicated via requisition or email.

If you have any questions regarding your program(s), contact your accountant or Kris Duarte at (408) 453-6787 for accounting inquiries. For Purchasing related questions, please contact Vy Robles at (408) 453-6855.

## Sample Fiscal Year End Closing Activities

Fiscal Year End Closing Activities		
Activity	Due Date	Assigned
<input type="checkbox"/> Establish an Internal Fiscal Year-End Closing Calendar based on your internal and SCCOE Deadlines		
<input type="checkbox"/> Establish a School Site Fiscal Year-End Calendar with Deadlines		
<input type="checkbox"/> Identify tasks to be completed		
<input type="checkbox"/> Assign staff		
Prior Fiscal Year Activities:		
<input type="checkbox"/> Reconcile all Fiscal Year End 10/11 Entries (Prior Year).		
<input type="checkbox"/> Reconcile all 11/12 Accounts Receivable closing items on balance sheet		
<input type="checkbox"/> Reconcile all 11/12 Accounts Payable closing items on balance sheet		
<input type="checkbox"/> Reconcile 11/12 Pre-Paid Expenditures		
<input type="checkbox"/> Reverse 11/12 Deferred Revenue		
<input type="checkbox"/> Reconcile 11/12 Due To/ Due From Entries		

## Current Fiscal Year End Closing Activities

Activities	Due Date	Assigned
<input type="checkbox"/> Audit Findings for 11/12		
<ul style="list-style-type: none"> <li>▪ Reconcile prior year audit adjustments</li> </ul>		
<input type="checkbox"/> General Ledger Transactions		
<ul style="list-style-type: none"> <li>▪ <b>Confirm that ALL Unapproved Journal Entries and Transfers have been Approved or Deleted for Fiscal Year 12/13</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Confirm that Inter-fund Transactions of Direct Costs are balanced</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Confirm that Other Authorized Inter-fund Transfers Out/Other Authorized Inter-fund Transfers In are balanced</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Set up Accounts Receivable Accruals for Revenue that has been earned but not yet received</b></li> <li>▪ <b>Post 3<sup>rd</sup> Quarter Lottery accruals and all other accruals</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Set up Accounts Payable Accruals for supplies that have been received or services that have been performed but have not been paid</b></li> </ul>		
<input type="checkbox"/> Indirect Costs		
<ul style="list-style-type: none"> <li>▪ <b>Book Indirect costs; ensure that all programs that are exempt from indirect have not been charged indirect</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Ensure that the maximum allowable indirect charge is not exceeded for any program</b></li> </ul>		
<ul style="list-style-type: none"> <li>▪ <b>Administrative costs for Federal programs have a maximum limit of 15%. Ensure that the maximum limit is not exceeded.</b></li> </ul>		
<input type="checkbox"/> Book Prepaid Expenditures		

Activities	Due Date	Assigned
<input type="checkbox"/> <b>Purchasing:</b>		
<ul style="list-style-type: none"> <li>▪ Review all outstanding purchase orders</li> </ul>		
<ul style="list-style-type: none"> <li>▪ If order is not received but still wanted---roll purchase order to FY 13/14</li> </ul>		
<ul style="list-style-type: none"> <li>▪ If order is not received and not wanted---cancel purchase order</li> </ul>		
<ul style="list-style-type: none"> <li>▪ If order is received but unpaid, pay prior to A/P warrant cutoff date or Accrue as Accounts Payable Liability</li> </ul>		
<input type="checkbox"/> <b>Revolving Cash</b>		
<ul style="list-style-type: none"> <li>▪ Reconcile and Replenish Revolving Cash</li> </ul>		
<input type="checkbox"/> <b>Close out of Fund or Resources</b>		
<input type="checkbox"/> <b>Stores- Physical Inventory</b>		
<ul style="list-style-type: none"> <li>▪ Establish a firm cutoff date/time for Receiving Items into the Warehouse</li> <li>▪ Establish a firm cutoff date/time for Issuing items from the Warehouse</li> <li>▪ Receive all Orders into your perpetual inventory system</li> <li>▪ Issue all items into your perpetual inventory system</li> <li>▪ Print a count sheet of all items within your inventory</li> <li>▪ A physical count of items on hand in your warehouse</li> <li>▪ Upon completion of the warehouse physical accounting activity, the quantities should be entered into your perpetual inventory system and reconciled for discrepancies.</li> <li>▪ All discrepancies must be resolved</li> <li>▪ Districts on the SCCOE QSS system should notify TSB for closing deadlines.</li> </ul>		

<b>Current Closing Activities</b>		
<b>Activities</b>	<b>Due Date</b>	<b>Assigned</b>
<input type="checkbox"/> Validate Balance Sheet Accounts for reasonability		
<input type="checkbox"/> Do asset accounts have debit balances?		
<input type="checkbox"/> Do Liability accounts have credit balances?		
<input type="checkbox"/> Confirm that beginning balances correspond with prior year ending balances on SACS forms		
<input type="checkbox"/> Adjust stores as needed to match physical inventory		
<input type="checkbox"/> Ensure That Indirect Costs net to zero at function and fund level		
<input type="checkbox"/> Transfers of Direct Costs – Interfund (Object 5750) must net to zero for all funds.		
<input type="checkbox"/> Transfers of Indirect Costs – Interfund (Object 7350) must net to zero for all funds.		
<input type="checkbox"/> Transfers of Indirect Costs – Interfund (Object 7350) must net to zero by function.		
<input type="checkbox"/> Interfund Transfers in (objects 8910-8929) must equal Interfund Transfers Out (objects 7610-7629).		
<input type="checkbox"/> Due from Other Funds (objects 9310) must equal Due to Other Funds (Object 9610).		
<input type="checkbox"/> PERS Reduction Transfer (Object 8092) in the General Fund must equal PERS Reduction, certificated and classified positions (objects 3801-3802) in all funds.		
<input type="checkbox"/> Revenue Limit Transfers (objects 8091 and 8099) must net to zero individually.		
<input type="checkbox"/> Transfers of Direct Costs (Object 5710) must net to zero by fund.		
<input type="checkbox"/> Transfers of Indirect Costs (Object 7310) must net to zero by fund.		
<input type="checkbox"/> Transfers of Indirect Costs (Object 7310) must net to zero by function		
<input type="checkbox"/> Contributions from Unrestricted Revenues (Object 8980) must net to zero by fund.		
<input type="checkbox"/> Contributions from Restricted Revenues (Object 8990) must net to zero by fund.		

Activities	Due Date	Assigned
<input type="checkbox"/> Transfers of Restricted Balances (Object 8997) must net to zero.		
<input type="checkbox"/> There should be no contributions (Objects 8980-8999) to the lottery (resources 1100 and 6300) or from the Lottery: Instructional Materials (Resource 6300).		
<input type="checkbox"/> Pass-through revenues from all sources (objects 8287, 8587 and 8697) should equal transfers of pass-through revenues to other agencies( objects 7211 through 7213, plus 7299 for resources 3327 and 3328) by resource.		
<input type="checkbox"/> Components of Ending Fund Balance (objects 9710-9790) must agree with Fund Equity (Assets [objects 9100-9499] minus Liabilities [objects 9500-9699])		
<input type="checkbox"/> Legally restricted and other designation amounts reported in objects 9740 through 9780 should not create a negative undesignated/ unappropriated balance (Object 9790) by fund and resource (for all funds except Fund 67)		
<input type="checkbox"/> Legally restricted & other designation amounts reported in Fund 67, Self-Insurance Fund, objects 9740 through 4780 with rare exceptions should not create a negative undesignated/ un-appropriated balance B (Object 9790) by resource.		
<input type="checkbox"/> All ending fund balances (Object 9792) should be positive by resource, by fund.		
<input type="checkbox"/> Revenue amounts exclusive of contributions (objects 8000-8979) should be positive by resource, by fund.		
<input type="checkbox"/> Expenditure amounts (objects 1000-7999) should be positive by function, resource and fund.		
<input type="checkbox"/> Accounts Receivable (Object 9200), Due from Other Funds (Object 9310), Accounts Payable (Object 9500), and Due to Other Funds (Object 9610) should have a positive balance by resource, by fund.		
<input type="checkbox"/> Components of Ending Fund Balance (object 9700-9789) must be positive individually by resource and by fund.		
<input type="checkbox"/> Total revenues exclusive of contributions (objects 8000-8979) should be positive, by fund.		
<input type="checkbox"/> Expenditure amounts (objects 1000-7999) should be positive by function, resource and fund		
<input type="checkbox"/> Accounts Receivable (Object 9200), Due from Other Funds (Object 9310), Accounts Payable (Object 9500) and Due to Other Funds (Object 9610) should have a positive balance by resource, by fund.		
<input type="checkbox"/> Components of Ending Fund Balance (objects 9700-9789) must be positive individually by resource, by fund.		
<input type="checkbox"/> <b>Download SACS 2013 for Budget, SACS 2013All for Unaudited Actuals</b>		
<ul style="list-style-type: none"> <li><input type="checkbox"/> Begin completing SACS forms</li> </ul>		
<ul style="list-style-type: none"> <li><input type="checkbox"/> Run a Technical Review Checklist &amp; Make all corrections</li> </ul>		

<b>Final Closing Activities</b>	<b>Due Date</b>	<b>Assigned</b>
<ul style="list-style-type: none"> <li>▪ Run a Final Technical Review Checklist to ensure that it is error free</li> </ul>		
<ul style="list-style-type: none"> <li><input type="checkbox"/> Validate Balance Sheet Accounts for reasonability</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Do asset accounts have debit balances?</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Do Liability accounts have credit balances?</li> </ul>		

# **SAMPLE GANN RESOLUTION**







Santa Clara County Office of Education

# Informational Bulletin

*For Santa Clara County Districts*

## District Business & Advisory Services

Nimrat Johal, Director- DBAS: 408-453-6599

Cathy McKim, Manager-DBAS: 408-453-6588

Bulletin: 12-126

Date: April 19, 2012

To: District Fiscal Directors

From: Cathy McKim

Re: Assembly Bill 189-Change of Public Hearing Requirement for use of Tier III Funds

Per Education Code 42605, as a condition of receiving funds for Tier III categorical programs (list is attached), the governing board of a school district must hold a public hearing to discuss and approve or disapprove the proposed explicit uses of each Tier III Programs' funding. This hearing must take place regardless of whether districts opt to use funds for their original purpose or for another purpose. Previously, the hearing was allowed to take place at any time, and many districts chose to hold this hearing in conjunction with their budget adoption.

Per Assembly Bill (AB) 189 (Chapter 606/Statutes 2011), **the Tier III public hearing must now be held prior to and independent of a meeting at which the budget is adopted.** This bill was effective in January 2011, and would not apply retroactively for 2011-12. However, it will be effective for 2012-13. Please keep this change in mind when planning your calendars for fiscal year 2012-13.

Should there be any questions regarding this bulletin, please contact your Business Advisor.

Ann Redd	408-453-6593	<a href="mailto:Ann.Redd@sccoe.org">Ann.Redd@sccoe.org</a>
Jason Vann	408-453-6576	<a href="mailto:Jason.Vann@sccoe.org">Jason.Vann@sccoe.org</a>
Jenina Salcedo	408-453-6594	<a href="mailto:Jenina_Salcedo@sccoe.org">Jenina_Salcedo@sccoe.org</a>
Kolvira Chheng	408-453-6576	<a href="mailto:Kolvira_Chheng@sccoe.org">Kolvira_Chheng@sccoe.org</a>

**TIER III PROGRAMS**

Administrator Training Program (AB430)	Instructional Materials Fund
Adult Education	International Baccalaureate
Alternative Credentialing	National Board Certification
Arts and Music Block Grant	Peer Assistance and Review
Bilingual Teacher Training	Physical Education Teacher
California High School Exit Exam (CAHSEE) Intervention	Professional Development Block Grant
California School Age Families Educational Program (CalSAFE)	Pupil Retention Block Grant
Center for Civic Education	Readers for the Blind
Certificated Staff Mentoring Program	Recruitment Grants
Charter Schools Categorical Block Grant	Regional Occupational Centers/Programs
Child Oral Health Assessments	SB 472 Professional Development
Class-Size Reduction-9th Grade	School and Library Improvement
Community Based English Tutoring (CBET)	School Safety Competitive Grant
Community Day Schools	School Safety Consolidated
Counselors, Grades 7-12	Specialized Secondary Programs
Deferred Maintenance	Student Leadership
Educational Technology	Supplemental Hourly Programs
Gifted and Talented Education (GATE)	Targeted Instructional Improvement Block Grant (TIIG)
High Priority Schools and II/USP (eliminated in 2009-10)	Teacher Credentialing Block Grant
Indian Education Centers	Teacher Dismissal Apportionments
	Williams Audits

**County Board of Education**

Leon F. Beauchman - Michael Chang  
Joseph DiSalvo – Julia Hoover-Smoot  
Grace Mah – Anna Song

**County Superintendent of Schools**



Santa Clara County Office of Education

Xavier De La Torre, Ed.D.  
County Superintendent of Schools

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