

GAINS

Georgia Department of Education Financial Review Updates

May 13, 2021

AGENDA

- Amended FY 2021 Budget
- Initial FY 2022 Budget
- CARES/CRRSA/ARP
- SB 68
- 2021 Legislation
- Chart of Accounts
- Indirect Cost Rates
- GASB 84
- GASB 87
- GASB 96 SBITA
- Report Deadlines
- Maintenance of Effort
- Questions

Amended FY 2021 Budget

Amended FY 2021 Budget

HB 80 Signed by Governor	February 15, 2021
QBE Regular Earnings	\$11,188,162,708
Funded enrollment growth (SCS)	\$41,068,733
Increase in State Charter School Grant	\$25,992,777
Increase in State Charter T&E	\$3,304,450
Reduce due to error in State Charter T&E	-\$4,949,890
Increase in Charter System Grant	\$480,152
Decrease in Austerity – 4.2% Reduction	\$567,546,563
Initial FTE Count	1,754,930
Amended FTE Count	1,718,854

Amended FY 2021 Budget

Increase in Funding for Special Needs Scholarship	\$1,900,000
Adjust LFMS for Data Correction	\$1,931,955
Increase LFMS due to Reduction in Austerity	\$79,532,465
Reduce Equalization for Data Correction	\$829,212
Increase for purchase of 520 Buses – Bus Replacement	\$40,154,400
Offset Austerity Reduction	
Preschool Disabilities Services	\$2,523,306
CTAE	\$840,924
Agriculture Education	\$589,272

FY 2021 – Local Five Mill Share (LFMS)

- Initial LFMS NET Increase of \$71,258,470
- Amended LFMS Increase of Additional \$79,532,465

Adjusted per O.C.G.A. §20-2-164

- LFMS cannot be more than 20% of the calculated QBE earnings

Amended FY 2021 – Austerity was REDUCED
\$567M

- Ratio per Code Section 20-2-164 now met
- Increase in LFMS for each school district

FY 2021 Austerity and LFMS Calculations

Reduction in LFMS:

$$\text{LFMS} - (\text{LFMS} * 3.71\%) = \text{Adjusted LFMS}$$

Austerity Reduction:

$$(\text{QBE Earnings less Adjusted LFMS}) * 10.37\% = \text{Austerity}$$

Amended FY 2021 Transportation Allotments

- Individual letters distributed to transportation directors and finance officers.
- Cash of \$40,154,400 – this is not bus bonds
- First portion included in April QBE Payment
- Program Code 2410 – Bus Replacement will be used to record the revenue and expenditures
- Any excess funds not spent on bus purchase as of June 30, 2021 should be reclassified to Fund Balance – Restricted for Bus Replacement
- Funds must be spent by June 30, 2022
- Refer to Email sent on March 17, 2021

Amended FY 2021 Ag Ed and CTAE Allotments

- Austerity was restored in Amended FY 2021 Budget
- CARES funding allotted at the beginning of FY 2021 to supplement the grants
- Restored funding can be utilized for any purpose of the grant
- Must be expended by June 30, 2021

Contact your CTAE/AG Budget Specialist!

Initial FY 2022 Budget

Initial FY 2022 Budget

HB 81 Signed by Governor	Pending
QBE Regular Earnings	\$11,160,156,077
Declining Enrollment	-\$110,561,954
Increase in T&E and Health Insurance	\$58,166,829
Increase in TRS 19.08% to 19.81%	\$57,348,142
Increase in State Charter School Supplement	\$35,678,100
Decrease in Math & Science Supplement	-\$863,849
Increase in Charter System Grant	\$22,323
Decrease in Austerity – 4.2% Reduction	\$567,546,563
Initial FTE Count	1,718,854

Initial FY 2022 Budget

Local Five Mill Share Increase \$111,856,190	-\$2,170,763,422
Equalization Increase \$71,918,887	\$797,971,105
Pupil Transportation Increase \$179,152	\$136,541,242
Nutrition Increase \$5,000,000	\$29,518,235
Non QBE Formula Grants	\$14,763,532
Increase in TRS Rate \$77,201	
Sparsity – Declining Enrollment -\$249,472	
RTC – Declining Enrollment -\$268,221	
Feminine Hygiene – Increase \$950,000	
RTC Budget Manager – Increase \$125,000	

Initial FY 2022 Budget

GNETS	\$53,365,930
Declining Enrollment -\$3,388,911	
Restoration of Austerity \$3,669,163	
Preschool Disabilities Services	\$36,069,990
Declining Enrollment -\$4,943,047	
Restoration of Austerity \$2,523,306	

Initial FY 2022 Budget - Bonds

Regular Capital Outlay	\$106,235,000
Regular Advanced Capital Outlay	\$9,270,000
Low-Wealth Capital Outlay	\$9,000,000
CTAE	\$10,165,000
State School Facilities	\$3,000,000
GA FFA/FCCLA Center	\$5,770,000
Bus Bonds – FY 2022	\$0
Alternate Fuel Incentives	\$2,000,000

CARES/CSSRA/ARP

Coronavirus Aid, Relief & Economic Security (CARES) Act – ESSER I Fund Allotments

- LEA Allotment - \$411,360,674
- Other Education Agencies (State Charters, GNETS, RTC, etc.) - \$6,196,706
- Connectivity Devices (purchased by GaDOE) - \$4,000,000
- Equitable Services, Agriculture Education, CTAE - \$15,843,049
- RESAs - \$1,180,800.81
- Special Education - \$3,000,000
- School Nurses - \$5,829,574

CARES Act – Governor’s Emergency Education Relief (GEER) Funds

\$29,300,00

- \$10,053,000 – to provide internet access to public K12 students in low income housing.
- \$9,933,000 – to procure and install antennas to extend broadband signal at all of Georgia’s 2,310 public school campuses.
- \$9,314,000 – to increase the bandwidth available to schools that are exceeding their capacity.

Funding is not suballocated to LEAs

Coronavirus Response & Relief Supplemental Appropriations (CSSRA) Act – ESSER II Fund Allotments

- LEA Allotment - \$1,702,883,356
- Residential Treatment Centers - \$306,684
- ESSER II Bonus Grant - \$178,776,802

American Rescue Plan (ARP) Act – ESSER III Fund Allotments

- LEA Allotment - \$3,824,434,120
- ESSER III Bonus Grant - \$51,782,025

CARES, CRRSA, ARP

Topic	CARES – ESSER I	CRRSA – ESSER II	ARP – ESSA III
Period of Availability (excluding the 12-month carryover)	March 13, 2020 – September 30, 2021	March 13, 2020 – September 30, 2022	March 13, 2020 – September 30, 2023
Equitable Services	Yes – same manner as Title I	Separate funding for Non-Public Schools	Separate funding for Non-Public Schools – SEAS cannot reimburse for costs
MOE	State requirement for FY 2020 and FY 2021 - baseline	State requirement based on %age of overall state spending	State requirement for FY 2022 and FY 2023 based on %age of overall spending
Tracking of Funds	Tracked Separately	Tracked Separately	Tracked Separately

CARES – ESSER I Connectivity Grant

SEA Reserve used to provide equipment needed for LEAs using data from the Georgia Broadband Deployment Initiative and the Georgia Department of Education Information Technology Division

Purpose: To allocate funds for school districts and the Georgia Public Library Service to provide WiFi Routers and Personal Internet Equipment (PIEs) to support participation in digital remote learning for students in households without access to the internet.

CARES – ESSER I Connectivity Grant

Program Code 4169

Fund 420

Revenue Source 4535

Grant includes devices to post as on-behalf

Expense:

2210-611 – Supplies Related to Technology

CARES – GEER On Behalf Grant

\$29,300,00

- \$10,053,000 – to provide internet access to public K12 students in low income housing.
- \$9,933,000 – to procure and install antennas to extend broadband signal at all of Georgia's 2,310 public school campuses.
- \$9,314,000 – to increase the bandwidth available to schools that are exceeding their capacity.

CARES – GEER On Behalf Grant

On-Behalf Entry Necessary to record the antenna purchase and the broadband access.

Entry will be provided once final documentation is received from the GaDOE IT Department.

Most likely in FY 2022.

GEMA/FEMA PPE

Personal Protection Equipment

- Donated items were distributed either by RESAs or picked up directly by school district from GEM distribution center in July 2020.
- Each LEA received a listing of items donated for the PPE received.
- The per unit costs were provided by GEMA.
- Each LEA will use the unit costs for items received to calculate the dollar amount of PPE items to post on the fund level financial statements.

GEMA/FEMA PPE

Personal Protection Equipment

Fund 100

Program Code 4151

Revenue Source 4535

Function Code 2100

Object Code 610

Example:

Debit 100-2100-4151-610

Credit 100-4535-4151

Senate Bill 68

SB 68 – Signed by Governor June 29, 2020

.....To strengthen provisions relating to the financial management of local school systems; to provide training for local board of education members and local school superintendents on financial management; to provide for monthly reporting to the local board of education on the financial stability of the local school system; to provide for designation by the Department of Audits and Accounts of high-risk local school systems and moderate-risk local school systems based on annual audits; to provide for financial management provisions in flexibility contracts and system charters.....

SB 68 – Signed by Governor June 29, 2020

§ 20-2-49

Adds **financial management** to Board member duties

§ 20-2-51

Board members up for reelection must have completed all prior **annual training requirements** established by §20-2-230

§ 20-2-58

Monthly review by board of the **financial status** of the local school system.

GaDOE will **create a template** for school systems to use to review the financial status, which shall include, at a minimum, a statement of revenues, expenditures, and encumbrances.

§ 20-2-61

Local board of education requesting and reviewing financial data and documents **shall not constitute micromanaging**

SB 68 – Signed by Governor June 29, 2020

§ 20-2-67

The Department of Audits and Accounts shall designate local school systems that have had reported irregularities or budget deficits for **three** or more consecutive years as **high-risk** local school systems and shall designate local schools systems that have had reported irregularities or budget deficits for **one year or two** consecutive years as **moderate-risk** local school systems.

SB 68 – Signed by Governor June 29, 2020

§ 20-2-67

State Board of Education shall **inform the superintendent** of the local school system of the irregularities or budget deficits, including if a local school system has been designated as a high-risk local school system or moderate-risk local school system.

Superintendent **shall submit a corrective action plan** approved by the board at a board meeting **within 120 days** of receiving notice of designation as a high-risk or moderate-risk local school system.

SB 68 – Signed by Governor June 29, 2020

§ 20-2-82

Flexibility contract **shall require** that a local school system has not been designated as a high-risk system by DOAA, or if it is, the system has a **written corrective action plan in place and appropriate personnel participate in required training to address the deficiencies.**

§ 20-2-83

Flexibility contract shall include specific requirements relating to **maintaining or achieving financial stability** of the local school system.

SB 68 – Signed by Governor June 29, 2020

§ 20-2-84.2

The department shall **monitor each local school system's financial stability and provide support and guidance to local school systems** that are designated as high-risk or moderate-risk by the Department of Audits and Accounts pursuant to §20-2-67.

§ 20-2-109

Local school superintendent **shall report monthly** to the local board **the financial status** of the school system. Each local board of a system designated as high-risk or moderate-risk **shall require the superintendent to complete training on financial management and governance.**

SB 68 – Signed by Governor June 29, 2020

§ 20-2-230

Requires newly elected board members to receive guidance and training regarding their specific local school system's most recent audit findings and risk status, as determined by DOAA or GaDOE.

Training must be completed with either DOAA or GaDOE

§ 20-2-2063.2

A charter for a charter system shall require the local school system to have a corrective action plan if designated high-risk, and training for appropriate personnel.

SB 68 – Signed by Governor June 29, 2020

§ 20-2-2063.3

State Charter Schools Commission will include in the code of principles and standards the monitoring of high-risk charter schools.

SB 68 – Signed by Governor June 29, 2020

Monthly Financial Status Template:

At a minimum, the monthly financial status template approved by the local board of education must include:

1. Comparison of budget to actual year-to-date revenues and expenditures
2. Monthly revenues and expenditures
3. Total amount of open purchase orders at the end of each reporting month.

SB 68 – Signed by Governor June 29, 2020

Monthly Financial Status Template:

- Reminder: O.C.G.A. §20-2-167 indicates the budget of each local school system shall reflect all anticipated revenues from each source.
- Board Policy will dictate the level of detail approved.
- Purpose of monthly reporting is to monitor the approved budget to determine if amendments are required.
- FMGLUA Chapter II-1 – Interim Reporting Updated

SB 68 – Signed by Governor June 29, 2020

High Risk and Moderate Risk Reporting:

- DOAA defines Irregularities and Deficits
- Notifies GaDOE and State Board of Education
- GaDOE notifies Superintendent
- Superintendent submits corrective action plan within 120 days of notification
- GaDOE monitors corrective action plan
- FMGLUA Chapter II-8 – High Risk School Systems Updated

O.C.G.A. §20-2-67

Deficit Reporting:

- DOAA-Reported Deficits
 - Deficit Elimination Plan
 - Publication of Statement of Actual Operations
 - Monthly Reports signed by Complete Board and submitted to GaDOE
 - May warrant additional training for Superintendent and Board Members if designated as High or Moderate Risk Entity

O.C.G.A. §20-2-67

Deficit Reporting:

- Unaudited DE 46 Deficits Reported
 - Deficit Elimination Plan
 - Monthly Reports signed by the complete board until deficit is eliminated
 - Any additional information deemed necessary by the Financial Review Division and/or the State Board of Education

2021 Legislative Session

Richard Woods, Georgia's School Superintendent | Georgia Department of Education | *Educating Georgia's Future*



SB 59 – Sent to Governor 4.7.21

Local Charter Schools

- Local charter schools earn 3.785 percent of the base amount for each full-time equivalent student within the local charter school in additional QBE.
- Funding shall be directly allocated to the local charter school.
- Allows for initial participation in the state health benefit plan upon renewal of its charter.
- School system and local charter may mutually collaborate and agree upon specific ways for some or all of the charter school's proportionate amount of federal funds to be provided.

SB 59 – Sent to Governor 4.7.21

Local Charter Schools

- Local charter school's use of a facility owned by the local board of education shall be subject to negotiation between the local board and the local charter school and shall be memorialized in a separate agreement.

SB 153 – Sent to Governor 4.7.21

GOAL Academies

- Allow state charter schools to transition to state chartered special schools or alternative charter schools.
- GaDOE and the State Board of Education, in consultation with authorizing local school systems, shall establish a process to designate alternative charter schools.
- Alternative charter schools can cross attendance zones

SB 159 – Sent to Governor 4.7.21

Student Transportation

- Allow school systems to transport students in a motor vehicle with a capacity of eight persons or less to and from school and school related activities.
- Vehicle must be marked for the transportation of school children.
- Must still comply with requirements of Code Section 20-2-188 for maintenance, repair, inspection and use of such vehicles.
- Insurance policies to be issued to cover the transport.

SB 213 – Sent to Governor 4.7.21

Energy Savings Contracts Paid With SPLOST

- Defines energy cost savings measure to include any measure not otherwise defined in this Code section which is designed to reduce energy or water consumption, reduce wastewater production, avoid capital costs, or achieve similar efficiency gains by the county, independent, or area school system.
- Allowable to use SPLOST funds for energy savings contracts, provided the specific purpose is allowable in the authorizing referendum.

SB 213 – Sent to Governor 4.7.21

Energy Savings Contracts Paid With SPLOST

- Defines energy conservation measure to include a program or facility alteration or technology upgrade designed to reduce.... Operating costs to allow revenue generation measures.

Chart of Accounts

Chart of Accounts

Link to COA

Budget and Financial Data Reporting

- [LUA Chart of Accounts](#)
 - [FY 2020 - FY2021 Chart of Accounts Updates - April 13, 2021.pdf](#)
 - [Chart of Accounts New Portal User Guide.pdf](#)
- [Financial Management for Georgia LUAS Manual](#)
- [School System Financial Reports](#)
- [School System Revenues/Expenditures](#)
- [FY 2021 Year-End Closing Checklist.docx](#)
- [Tips for Monthly - Closeout \(Checklist\).pdf](#)

Link to Changes in Fiscal Year

Indirect Cost Rate



- Page 40 – Indirect Cost Rate Budgeting and Application Guidance

Indirect Cost Rates – Audited Data

DE 46 Annual Financial Report

Audited Financial Statements

STATE		
FUND	100 General Fund	
ACCOUNT	DESCRIPTION	AMOUNT
1000-145.00	INTERPRETER	\$5,082,658.63
1000-161.00	TECHNOLOGY SPECIALIST	\$71,025,122.24
1000-164.00	PHYSICAL/OCCUPATIONAL/MOBILITY/SPEECH THERAPIST	\$6,885,673.88
1000-166.00	YOUNG FARMER TEACHER	\$3,640,579.55
1000-172.00	ELEMENTARY COUNSELOR	\$82,105,536.09
1000-173.00	SECONDARY COUNSELOR	\$122,714,765.82
1000-178.00	GRADUATION COACH	\$1,780,983.82
1000-180.00	BUS DRIVERS	\$0.00
1000-181.00	MAINTENANCE PERSONNEL, TRANSPORTATION MECHANIC, OT	\$40,353.56
1000-184.00	SCHOOL NUTRITION PROGRAM CAFETERIA	\$0.00
1000-190.00	OTHER MANAGEMENT PERSONNEL	\$0.00
1000-191.00	OTHER ADMINISTRATIVE PERSONNEL	\$3,777,823.08
1000-195.00	TERMINAL LEAVE PAYMENTS	\$599,786.37
1000-196.00	RETIREMENT INCENTIVE PAYMENTS	\$6,000.00
1000-199.00	OTHER SALARIES AND COMPENSATION	\$18,388,121.39
1000-200.00	EMPLOYEE BENEFITS	\$0.00
1000-210.00	STATE HEALTH INSURANCE	\$1,042,720,330.58
1000-220.00	FICA	\$320,796,372.12
1000-230.00	TEACHERS RETIREMENT SYSTEM	\$1,391,405,093.73
1000-240.00	EMPLOYEES RETIREMENT SYSTEM	\$2,062,137.79
1000-250.00	UNEMPLOYMENT COMPENSATION	\$953,167.35
1000-260.00	WORKMEN COMPENSATION	\$34,073,475.68
1000-270.00	ON BEHALF PAYMENTS	\$61,736.62
1000-280.00	BENEFIT IN LIEU OF SOCIAL SECURITY	\$51,681,389.81
1000-290.00	OTHER EMPLOYEE BENEFITS	\$103,464,406.13
1000-300.00	PURCHASED PROFESSIONAL AND TECHNICAL SERVICES	\$131,584,620.21
1000-321.00	CONTRACTED SERVICE - TEACHERS	\$13,712,478.54
1000-322.00	CONTRACTED SERVICE - ART,MUSIC,P.E.	\$244,824.15
1000-323.00	CONTRACTED SERVICE -COUNSELORS	\$42,079.60
1000-324.00	CONTRACTED SERVICE -TECHNOLOGY SPECIALIST	\$209,844.63
1000-332.00	DRUG AND ALCOHOL TESTING, FINGERPRINTING	\$29,999.30
1000-361.00	PER DIEM AND FEES	\$1,739,236.45

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
REVENUES				
Property Taxes	\$ 75,437,013.48	\$ -	\$ 27,381.27	\$ 75,464,394.75
Sales Taxes	2,469,830.64	16,813,752.20	-	19,283,582.84
State Funds	183,412,428.95	1,534,926.99	-	184,947,355.94
Federal Funds	17,942,917.69	-	-	17,942,917.69
Charges for Services	5,724,294.74	-	-	5,724,294.74
Investment Earnings	258,672.61	4,421.61	38.39	263,132.61
Miscellaneous	4,838,505.01	17,221.40	-	4,855,726.41
Total Revenues	290,083,663.12	18,370,322.20	27,419.66	308,481,404.98
EXPENDITURES				
Current				
Instruction	185,636,106.32	-	-	185,636,106.32
Support Services				
Pupil Services	10,720,154.70	-	-	10,720,154.70
Improvement of Instructional Services	12,601,995.16	-	-	12,601,995.16
Educational Media Services	4,633,765.95	-	-	4,633,765.95
General Administration	1,175,560.96	-	-	1,175,560.96
School Administration	17,155,640.93	-	-	17,155,640.93
Business Administration	1,349,124.10	-	-	1,349,124.10
Maintenance and Operation of Plant	18,109,594.17	-	-	18,109,594.17
Student Transportation Services	16,625,513.34	-	-	16,625,513.34
Central Support Services	2,272,006.04	-	-	2,272,006.04
Other Support Services	258,502.62	-	-	258,502.62
Enterprise Operations	1,168,357.65	-	-	1,168,357.65
Community Services	299.43	-	-	299.43
Food Services Operation	13,706,630.05	-	-	13,706,630.05
Capital Outlay	-	8,840,683.80	-	8,840,683.80
Debt Services				
Principal	139,448.08	-	4,140,000.00	4,279,448.08
Dues and Fees	-	-	5,717.50	5,717.50
Interest	16,353.92	126,271.98	4,052,800.00	4,195,425.90
Total Expenditures	285,569,053.42	8,966,955.78	8,198,517.50	302,734,526.70

Indirect Cost Rates – Audited Data

- **§200, Appendix VII** – requires the following documentation: *A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant agency for indirect costs in a subsequent proposal.*
- Final Financial Statements are due December 31st
Any adjustments to DE 46 for final financial statement preparation or audit adjustments must be provided to Financial Review by Fund-Function-Object.

NEW

Indirect Cost Rates – Audited Data

Clearance Letter will include statement advising Superintendent of the responsibility to provide audit adjustments to Financial Review

Format of audit adjustments must be Fund, Function, Object Code

Indirect Cost Rates – Audited Data

Federal guidelines require the indirect cost rate to be calculated with final, audited expenditure data. Please complete the attached worksheet, including all adjustments posted to the DE 46 by either the school system or auditors. Disaggregate the adjustments by fund, function, and object. The worksheet will need to be submitted even if your school system does not currently recover indirect costs, as the FY 2020 expenditures are needed for future rate calculations. Failure to provide the requested information could restrict your system from participating in indirect cost recovery in future fiscal years. Please return the worksheet via email within 30 days to Chris Toles, ctoles@doe.k12.ga.us.

Minimum and Maximum Rates

- Beginning with FY 2021 Rates

- Minimum Rates

- Restricted – 1%
- Unrestricted – 8%

- Maximum Rates

- Restricted – 8%
- Unrestricted – 15%

- Based on EDGAR and average rates calculated over the last 2 years.

Indirect Cost Rate Application

NOTE: The information below may require a change in procedures for some districts.

- **MUST** apply rate by fiscal year.
- Grant Period: July 1, 2020 – September 30, 2021
- Includes **two** fiscal years:
 - July 1, 2020 – June 30, 2021 (FY 2021)
 - July 1, 2021 – September 30, 2021 (FY 2022)
- Applicable Rates include **FY 2021 Rate** and **FY 2022 Rate**

Application of the Rate to Actual Expenditures

Sample Monthly Calculations of Indirect Cost Charges									
				COLUMNS					
Fund	Program #	Description	Month	A Month-End Expenditures (Per G/L)	B Less: Equipment & Other Exclusions	C Less: Federal Indirect Costs from Previous Month/Period	D Net Expenditures (Column A minus Columns B and C)	E Indirect Cost Rate	F Monthly Indirect Cost Calculation (Columns D*E)
402	1750	Title I-A Improving Academic Achievement	July	100,000.00	8,000.00		92,000.00	8.00%	7,360.00
			August	94,000.00	10,760.00	7,360.00	75,880.00	8.00%	6,070.40
			September	98,000.00	3,000.00	6,070.40	88,929.60	8.00%	7,114.37
			October				-		0.00
			November				-		0.00
			December				-		0.00
			January				-		0.00
			February				-		0.00
			March				-		0.00
			April				-		0.00
			May				-		0.00
			June				-		0.00
						Final Total	292,000.00	21,760.00	

Example

DIRECTIONS / INSTRUCTIONS	
1. COLUMN A - Input the final month-end expenditures per the LEA's general ledger (G/L) for the federal program (i.e. Title I-A, Title II-A, Title VI-B, etc.).	4. COLUMN D - Calculates the net expenditures to which the approved indirect cost rate for the fiscal year can be applied.
2. COLUMN B - Input the month-end expenditures for Objects 730, 732, 734 and 735 per the G/L to record the excluded expenditures. Other exclusions are: (1) Capital expenditures (2) Rental costs (3) Tuition remission, scholarships and fellowships (5) Payments to Charter Schools (6) The portion of each sub-award in excess of \$25,000 (regardless of the period of performance of the sub-award). These expenditures must be deducted prior to applying the indirect cost rate.	5. COLUMN E - Input the approved indirect cost rate for the fiscal year provided from the Georgia Department of Education.
3. COLUMN C - The Indirect Costs (IDC) expenditures must be removed from the balance before the indirect rate can be applied (this prevents paying indirect costs on indirect costs). NOTE: Only remove the IDC expenditures that have been recorded on the district's General Ledger. These expenditures must be deducted prior to applying the indirect cost rate.	6. COLUMN F - This column calculates the indirect cost amount to be charged to the federal program. The offsetting revenue will be recorded in General Fund, Revenue Source 1990. A journal entry should be prepared to: DR: Indirect expense (i.e. 4XX-2300-880) and CR: Indirect revenue (i.e. 100-1990-000).

GASB 84 Fiduciary Funds

GASB 84 – Fiduciary Funds

Effective July 1, 2020 (FY 2021)

- Implementation Date Delayed due to COVID
- ALL fiduciary funds are reported using the economic resources measurement focus and accrual basis of accounting.
- Statement of Changes in Net Position to include Custodial Funds
- Summarized – Additions and Deletions

GASB 84 – Fiduciary Funds

Extension to Implementation

- Financial Statements should reflect policy in place
- If school activity policy/procedures have been updated for FY 2020, ensure financial statements correctly report activity
- Early implementation for FY 2020 is encouraged

GASB 87 - Leases

GASB 87 - Leases

Effective July 1, 2021 (FY 2022)

- Draft Implementation Guide released for comments through April 30, 2019
- Changes criteria for leases, essentially eliminates operating leases and considers all leases capital
- Applied to exchange and exchange-like transactions
- Must capitalize the lease as an asset, but not subject to capitalization thresholds
- Additional costs for maintenance and supplies are not included when determining lease liability

GASB 87 - Leases



How to Start Preparing for Lease Standard:

- Evaluate all lease agreements entered by the district and schools
- Determine what portion of the lease is not for the actual lease agreement but for maintenance, toner, paper, etc.
- Work with vendors to separate the components of the lease agreement
- Be prepared to track so the liability can be posted in FY 2022

GASB 87 – Leases – Additions to COA

Account Number	Account Name	Account Description
0160	Lease Receivable	Amounts owed by the lessee to the lessor. This agreement conveys the right to use the lessor's asset to the lessee for a special period of time and under certain provisions.
0515	Deferred Inflow of Resources – Lease Revenue	An account that represent the total lease revenue owed to the lessor at the start of the contractual lease agreement. These deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. Lease revenue will be recognized as payments are due and paid by the lessee and the deferred inflow of resources will be reduced.

GASB 87 – Leases – Additions to COA

Account Number	Asset Name	Account Number	Accumulated Amortization Name
0215	Right to Use - Land		
0225	Right To Use – Leased Land Improvements	0226	Accumulated Amortization of Right To Use – Leased Land Improvements
0235	Right to Use – Leased Building Improvements	0236	Accumulated Amortization of Right To Use – Leased Building Improvements
0245	Right To Use – Leased Machinery and Equipment	0246	Accumulated Amortization of Right To Use – Leased Machinery and Equipment
0285	Right To Use – Leased Intangible Assets and Subscription Leases	0286	Accumulated Amortization of Right To Use – Leased Intangible Assets and Subscription Leases

GASB 87 – Leases – Additions to COA

Account Number	Amortization Expense
772	Amortization Expense – Right to Use – Land Improvements
774	Amortization Expense – Right To Use – Building Improvements
776	Amortization Expense – Right To Use – Machinery and Equipment
778	Amortization Expense – Right To Use – Intangible Assets and Subscription Lease Agreements

GASB 87 – Leases – Revisions to COA

Account Number	Account Name
5500	Other Financing Sources – Financed Purchase Arrangements
0452	Financed Purchase Arrangement – Current Liability
0531	Financed Purchase Arrangement – Long-Term Liability

Accounts were formerly used for Capital Leases. Per GASB 87, if a lease is entered into with the ownership transferred, it is considered a Financed Purchase Arrangement.

GASB 87 – Leases – Additions to COA

Account Number	Account Name	Description
5503	Other Financing Sources – Lease Liability	Proceeds from lease arrangements as defined in GASB Standard 87 - Leases. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) for a time period in an exchange or exchange-like transaction. Effective FY 2021.
0453	Lease Liability - Current	Lease liabilities owed for intangible right to use assets that have not been paid to the Lessor but are due within one year or less. Funds 693, 7XX, 900. Effective FY 2021.
0533	Lease Liability – Long Term	Lease liabilities owed for intangible right to use assets that have not been paid to the Lessor and are not due with one year. Funds 693, 7XX, 900. Effective FY 2021.

GASB 96

Subscription Based Information Technology Arrangements (SBITA)

GASB 96 - SBITA

Effective July 1, 2022 (FY 2023)

This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. (www.gasb.org)

Report Deadlines

Reporting Deadlines for FY 2021

FINANCIAL RELATED REPORTS	DUE DATE
FY 2021 CS-1 Salaries and Travel Report	estimated August 15, 2021
FY 2021 Financial (DE 46) Final Upload With Superintendent Sign Off	September 30, 2021
FY 2021 Budget-Final Amended (DE 46) Final Upload With Superintendent Sign Off	August 31, 2021
FY 2022 Budget-Initial (DE 46) Final Upload With Superintendent Sign Off	October 29, 2021
FY 2022 Initial Budget to Carl Vinson Institute	As Soon As Approved by Board
FY 2021 Audit History (TIGA) File	estimated October 1, 2021
FY 2021 State Charter School Audit Reports	November 1, 2021
FY 2021 Grant Completion Reports	July - October (depending on grant period end date)
FY 2022 Budgets in Federal Consolidation Application	October 1, 2021 (estimate)
FY 2021 SPLOST Expenditure Report	estimated December 7, 2021
HB 1187 Immigration Report	December 31, 2021
FY 2021 Draft Financial Statements, including Notes and MD&A (if presenting)	December 31, 2021* (Deadline of November 15, 2021 (estimate) for DOAA Certificate of Excellence Reward)
FY 2021 Special Education Excess Cost Report	January 31, 2022
FY 2020 DE 46 Adjustments (Including Auditor-Proposed and Accepted)	At the completion of the audit engagement
Nutrition DE 0106 Claims	Due by 20th of Each Month
Nutrition DE 0107 Financial	Due by the End of Each Month
Nutrition DE 0107 Financial Year End FINAL	estimated July 31, 2021
DE 46 vs SNP Financial Data Comparison	estimated August 31, 2021

Maintenance of Effort

Special Education – Maintenance of Effort Calculation

- District calculates for Eligibility
- GaDOE calculates Met or Did Not Meet for Compliance
- Will include program code 2081
- Errors on DE 46 reporting are not considered an allowable exception for not meeting
- **Compliance Test is Not Waivable**

Title I – Maintenance of Effort Calculation

- GaDOE calculates Met/Did Not Meet for Compliance
- FY 2022 calculation = FY 2020 data
- FY 2023 calculation = FY 2021 data
- FY 2024 calculation = FY 2022 data
- Includes Funds 150 and 599
- Excludes Object Code 594
- Waivable only once every 5 years for each LEA

Title I – Maintenance of Effort Calculation – Email 4.21.2021

DE 46 report:

1. Funds 100, 150, 599
2. Functions 1000, 2100, 2210, 2213, 2220, 2230, 2300, 2400, 2600, 2700
 - (Functions 2500, 2800, 2900, 3100, 3200, 3300, 4000, 5000, 5100 are not included in the calculation)
3. Remove (exclude) objects 700-799 and 594
4. Extract the enrollment using the “FTE Enrollment by Grade Level (PK-12) – Fiscal Year 20XX-1 Data Report”. Remove Pre-K FTE Counts.

Test 1: The current fiscal year expenditures must equal or be greater than 90% of the previous fiscal year’s expenditures.

Test 2: Divide the current fiscal year expenditures by the enrollment count. The current fiscal year per pupil expenditures must be equal to or greater than 90% of the previous fiscal year’s per pupil expenditures.

Maintenance of Effort - CARES

CARES	CRRSA	ARP
<p>In FYs 2020 and 2021 states must spend at least the same amount of state money on education as they did on average in FYs 2017, 2018 and 2019.</p> <p>For example, if a state spent on average \$10 billion in state money on education in FYs 2017, 2018 and 2019, then it was required to spend at least \$10 billion on education in FY 2021.</p>	<p>In FY 2022 states must spend the same proportion of their state budgets on education as they did on average in FYs 2017, 2018 and 2019.</p> <p>For example, if a state spent on average 30% of its state budget on education in FYs 2017, 2018 and 2019, then it must spend at least 30% of its state budget on education in FY 2022.</p>	<p>In FY 2022 and 2023 states must spend the same proportion of their state budgets on education as they did on average in FYs 2017, 2018 and 2019.</p> <p>For example, if a state spent on average 30% of its state budget on education in FYs 2017, 2018 and 2019, then it must spend at least 30% of its state budget on education in FYs 2022 and 2023.</p>

Per webinar held by CCSSO on March 17, 2021

American Rescue Plan (ARP) Act

LEA Maintenance of Equity Requirement

NEW

Local Educational Agencies

- LEA cannot reduce per-pupil funding for “high-poverty school” more than total reduction LEA-wide divided by number of students currently enrolled in LEA
- LEA cannot reduce **per-pupil, full-time equivalent** staff in a high-poverty school more than the total reduction LEA-wide divided by number of students currently enrolled in LEA

LEA Maintenance of Equity *Exceptions*

- LEAs with fewer than 1000 students
- Single-school LEAs
- LEAs with one school per grade span
- LEAs that “demonstrate[] an exceptional or uncontrollable circumstance, such as unpredictable changes in student enrollment or a precipitous decline in the financial resources of such agency, as determined by the Secretary of Education.”



Both LEA maintenance of equity applies to 2022 and 2023 State and local funding combined. US ED intends to provide additional guidance on these requirements.

QUESTIONS?

GAINS General Presentation

Feedback – arowell@doe.k12.ga.us

Please provide us with feedback or by completing our short survey. The survey can be accessed by the QR code or the abbreviated link below.



OR <https://forms.office.com/r/Q50cXwQkUK>

Open your phone's camera and hold it up until you can see the QR code. Your phone will prompt you to access a website – allow access.

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