

Tier I Annual Update

Fiscal Year 2018



Tier I Training

- Required in A.C.A. § 6-20-2204
- See Rules Governing the Arkansas Financial Accounting and Reporting System and Annual Training Requirements (January 2017)
 - Section 10.0
 - At a minimum, two (2) persons per educational entity are required to attend an initial and annual Tier I training:
 - The school district superintendent or the education service cooperative director or the open-enrollment public charter school director; and
 - A person whose job responsibilities include preparing the budget or overall accounting responsibility.

FY18 State Funding Amounts

A.C.A. § 6-20-2305 as amended by Acts 741 and 743 of 2017

- Foundation Funding FY18 \$6,713, increase of \$67
- Foundation Funding FY19 \$6,781, increase of \$68
 - State foundation funding aid will be disbursed in 12 installments (per Act 741 of 2017)
- ALE FY18 and beyond \$4,640
 - FY18 increase of \$80
- ELL FY18 and beyond \$338
 - FY18 increase of \$7
 - See Commissioner's Memo LS-17-004 dated July 22, 2016, for information regarding change in reporting of ELL students

FY18 State Funding Amounts

A.C.A. § 6-20-2305 as amended by Act 743 of 2017

- NSL (yearly transition = rate at former level up or down \$175)
 - 90% and above \$1,576 (no change)
 - At least 70% and less than 90% \$1,051 (no change)
 - Less than 70% \$526 (no change)
- PD rate calculated in time for publication on first FY18 state aid notice
 - FY17 rate was \$26.05

FY18 State Funding Amounts

A.C.A. § 6-20-2309

added by Act 743 of 2017

- Enhanced Transportation Funding
 - Commissioner's Memo FT-17-003 dated March 15, 2017 provided FY17 funding amounts under Act 445 of 2017
 - FY18 and FY19 funding amounts are the same as FY17
 - Act 743 of 2017, Section 6 provides the funding amount for each of the 136 eligible school districts
 - The expenditure of the revenue is unrestricted
 - The revenue should be coded to fund/source of fund 2222 and revenue code 31400 to allow for tracking of expenditures
 - Funding amounts were determined by the legislature and the specific calculation method has not been released

FY18 State Funding Amounts

Act 1044 Section 31

NSL Matching Grant Program

- NSL Matching Grants
 - \$4,300,000 set aside to be distributed on a dollar for dollar pro rata matching basis until funds are exhausted
 - For school district expenditures for evidence-based programs to improve the academic achievement of NSL students
 - Evidence-based programs are limited to:
 - Tutors as set out in A.C.A. § 6-20-2305(b)(4)(C)(i)(b)(4)
 - Before school academic programs and after-school academic programs, including transportation to and from the programs under in A.C.A. § 6-20-2305(b)(4)(C)(i)(b)(2)
 - Prekindergarten programs under in A.C.A. § 6-20-2305(b)(4)(C)(i)(b)(3)

FY18 State Funding Amounts

Act 1044 Section 31

NSL Matching Grant Program

- The Department will adopt rules to implement this program
- The program is only in effect from July 1, 2017 to June 30, 2018

Open-Enrollment Public Charter School Funding A.C.A. § 6-23-501 as amended by Act 933 of 2017, Section 8

- For the first year of operation, the first year operating under a new license, the first year adding a new campus, and in any year a grade is added at any campus:
 - Foundation funding for an open-enrollment public charter school will be based on current year three-quarter ADM from cycle 7. Until this is available:
 - First estimate uses current year July 1 enrollment
 - Second estimate uses current year quarter 1 ADM from cycle 3
 - Third estimate uses current year three-quarter ADM from cycle 6

Open-Enrollment Public Charter School Funding A.C.A. § 6-23-501 as amended by Act 933 of 2017, Section 8

- For the first year of operation, the first year operating under a new license, the first year adding a new campus, and in any year a grade is added at any campus:
 - The national school lunch state categorical funding will be based on free or reduced-price meal eligibility as reported by October 1 of the current school year, certified by the Child Nutrition Unit
 - The professional development funding will be based on enrollment count as of July 1 of the current school year

Open-Enrollment Public Charter School Funding A.C.A. § 6-23-908 as amended by Act 933 of 2017, Section 9

- Under A.C.A. § 6-23-908 the charter facilities funding for an open-enrollment public charter school will be based on current year three-quarter ADM from cycle 7. Until this is available:
 - First estimate uses current year July 1 enrollment
 - Second estimate uses current year quarter 1 ADM from cycle 3
 - Third estimate uses current year three-quarter ADM from cycle 6

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- ADE Rules Governing the Calculation Methods for Declining Enrollment and Student Growth Funding for Public School Districts dated October 2009 will be revised to reflect changes from Act 741 of 2017
- FY18 student growth funding will compare FY17 3-quarter ADM to:
 - FY17 quarter 4 ADM from cycle 7
 - FY18 quarter 1 ADM from cycle 3
 - FY18 quarter 2 ADM from cycle 5
 - FY18 quarter 3 ADM from cycle 6 plus any changes to FY18 quarters 1 and 2 in cycle 6

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- Student growth funding calculations exclude increases resulting solely from consolidation or annexation
- If net revenues minus any recoupment under A.C.A. § 6-20-2305(a)(4)(B) plus miscellaneous funds calculated under A.C.A. § 6-20-2308(b)(1)(A) exceed the foundation funding amount, a school district will be eligible to receive the amount of student growth funding that exceeds net revenues minus any recoupment under A.C.A. § 6-20-2305(a)(4)(B) plus miscellaneous funds calculated under A.C.A. § 6-20-2308(b)(1)(A)

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- Student growth and declining enrollment are both unrestricted funding categories, but expenditures are tracked for reporting to the legislature
- Changes made by the district in cycle 7 to ADM of quarters 1,2, and 3 as submitted in cycle 6 may result in funding corrections
- An eligible school district will receive the higher funding category after comparing:
 - Student growth funding plus special needs isolated or small district funding; or
 - Declining enrollment funding

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- The aforementioned comparison is made between categories of funding calculated at different times:
 - FY18 declining enrollment funding will be calculated in July 2017
 - School districts eligible for FY18 special needs isolated including small school funding may be determined in December 2017 and funding calculations expected to be completed in January 2018
 - FY18 student growth funding will be calculated for quarter 4 of FY17 and quarters 1, 2, and 3 of FY18 in May 2018

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- Student growth funding will be calculated as current year ADM is available, with no estimates made
 - However, an initial “educated guess” will be made of the higher funding category using only FY17 quarter 4 plus FY18 quarter 1 for student growth funding
 - If the initial “educated guess” shows student growth plus special needs isolated as higher than declining enrollment, then the only unknown remaining is whether additional student growth will be paid for quarters 2 and 3
 - If the initial “educated guess” shows declining enrollment is higher than student growth funding from quarter 4 and quarter 1, then additional student growth funding from quarters 2 and 3 might change the higher category of the initial comparison from declining enrollment to student growth funding

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- Drafting and approval of revised rules may change the outlined process
 - After school district eligibility for special needs isolated or small district funding has been determined, expect disbursement in December or January of:
 - 100% of declining enrollment funding - if declining enrollment funding exceeds special needs isolated or small district funding plus student growth funding based on FY17 quarter 4 plus FY18 quarter 1; or
 - Student growth funding based on FY17 quarter 4 plus FY18 quarter 1 - if student growth funding to date plus special needs isolated or small district funding exceeds declining enrollment funding

Student Growth Funding

A.C.A. § 6-20-2305 as amended by Act 741 of 2017, Section 7

- In March, student growth funding for FY18 quarter 2 from cycle 5 will be calculated
- In May, final FY18 student growth funding will be calculated to include FY18 quarter 3 and changes to quarters 1 or 2 in cycle 6
- A comparison to declining enrollment will be made following the addition of quarter 2 and quarter 3 to the student growth funding calculation

Mandatory Attendance for Students in Grades 9 – 12 A.C.A. § 6-18-210 as amended by Act 867 of 2017

Act 867 repealed the mandatory attendance for students in grades 9-12

- Removed the requirement for these students to attend a full school day
- Removed the requirement for these students to attend a minimum of 350 minutes of planned instruction time each day as a requirement for graduation

FY18 Minimum Salary Requirement A.C.A. § 6-17-2403 as amended by Act 246 of 2017

- FY18 Minimum bachelor's degree salary is \$31,400
 - 46 districts must increase the minimum from FY17 to FY18
- FY19 Minimum bachelor's degree salary is \$31,800
 - 64 districts currently under this amount from FY17 to FY18
- FY18 Minimum master's degree salary is \$36,050
 - 71 districts must increase the minimum from FY17 to FY18
- FY19 Minimum master's degree salary is \$36,450
 - 98 districts currently under this amount from FY17 to FY18

FY18 Classified Minimum Hourly Wage Commissioner's Memo FIN-17-047

- The FY18 minimum classified hourly rate for full-time employees is calculated at \$8.46, as required by A.C.A. § 6-17-2203
 - See Commissioner's Memo FIN-17-047
- The Arkansas Minimum Wage Initiative set the state's minimum wage at \$8.50 per hour beginning January 1, 2017
- When issuing contracts use the required Arkansas rate of \$8.50 because it is a higher rate when compared to the Consumer Price Index (CPI).

Board Review of 5% Salary Increases

A.C.A. § 6-13-635

School boards are required to review and approve by a written resolution any employee increase in salary of 5% or more for substantially the same job function from one fiscal year to the next

- The review of the salary increases should be completed no later than the October Board meeting of each year
- The resolution shall include reasons for salary increase
- A cognos report is available at: eFinancePLUS>eForms & Tools>Cognos Reporting>Public Folders > EFP > System >Payroll>Gross Payroll> Act 1120 Salary 5% Increase Notification
 - This report should be run after all payrolls have been completed for the years being compared

Board Review of 5% Salary Increases

A.C.A. § 6-13-635

- If a district has an audit finding of noncompliance, the district must notify the Financial Accountability and Reporting Unit of the ADE within 30 days of the release of the audit
 - for audits reviewed, there were no findings for the FY16 audits
- A.C.A. § 6-13-635(b)(2)(C) requires the ADE to compile a list of the districts with this audit finding by October 1 of each year
 - The list is provided to the House and Senate committees on Education
 - The list is published via Commissioner's Memo
- See Commissioner's Memo FIN-14-048

Duty Free Lunch Period

A.C.A. § 6-17-2207 was amended by Act 938 of 2017 which repealed the requirement that a public school or school district provide a duty-free lunch period for full-time non-exempt classified employees.

Delay or Early Release of School

A.C.A. § 6-10-126

as amended by Act 747 of 2017

- Reasons for a delayed start time or early release time now includes:
 - Inclement weather
 - Contagious disease outbreak or
 - Utility outage
- See Commissioner's Memo RT-17-028

Annual School Elections

A.C.A. § 6-14-102

as amended by Act 910 of 2017

- A.C.A. § 6-14-102 as amended by Act 910 of 2017 requires the annual school election shall be held in each school district of each state on the:
 - Date of the preferential primary election in even-numbered years and the date would be designated as the preferential primary election in odd-numbered years if a general election was held in the odd-number year; or
 - First Tuesday following the first Monday in November of each year
 - By the first day of the filing period, the district shall notify the county clerk which election date it chooses
 - Effective January 1, 2018

Calendar Year 2018 Health Insurance Minimum Contribution Rate A.C.A. § 6-17-1117 as amended by Act 741 of 2017

- See Commissioner's Memo FIN-17-044 dated April 26, 2017
- The minimum contribution rate shall increase annually by the same percentage as the fiscal year per-student foundation funding amount increase
 - The minimum rate will be \$157.50 per month beginning January 1, 2018
 - This includes the contribution rate increase of 1.008125% required by A.C.A. § 6-17-1117(a)

Calendar Year 2018 Health Insurance Minimum Contribution Rate A.C.A. § 6-17-1117 as amended by Act 741 of 2017

- Act 741, Section 2 defines “local contribution rate” as the minimum rate required under A.C.A. § 6-17-1117(a)(1) in addition to the contribution amount a school district provides for health insurance above the minimum contribution rate
- When establishing the local contribution rate, ensuring that the rate is evenly divisible (to the whole penny) by the number of pay periods per month will help to prevent over or underpayments to EBD

Submitting Signatures by Electronic Means

A.C.A. § 6-10-129

as amended by Act 873 of 2017

- Allows a public school district to submit by electronic means any signatures required when submitting reports or data and other information to the Arkansas Department of Education (ADE) and the Arkansas Department of Career Education
- “Electronic means” is defined as any of the following:
 - A scanned and emailed version of a paper document
 - A document submitted by facsimile transmission
 - An electronic signature system that includes a passcode and is administered by the ADE
 - Other technological means approved by the ADE

Petition for Seat Belts on School Buses

Act 375 of 2017

If at least 10% of a district's qualified electors sign a petition requesting the district's buses be equipped with passenger restraint systems, the district shall

- Propose additional property taxes to pay for purchasing, installing and maintaining the passenger restraint system and for instruction on the proper use of the system
- Place the tax increase on the next annual school election if the district does not already have a project under consideration for that election
- Applies to buses purchased or leased after January 1, 2018
- Students required to wear at all times unless medically excused or an emergency condition exists

A district may purchase a restraint system with available funds

School Bus Safety Camera Act 398 of 2017

Allows a school district to install an automated school bus safety camera to automatically record a motor vehicle passing a school bus

- When requested, the district shall provide the video or photographs for use as evidence in a criminal or civil proceeding

NSL Required Expenditures and Balances

A.C.A. § 6-20-2305(b)(4)(F)(i)

- See Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds (May 2016)
- Districts required to spend 85% of annual NSL funding
- If June 30, 2012 NSL Balance exceeded 15% of FY12 NSL funding, district is required to reduce the balance by a minimum of 10% per year until the balance is no more than 15%
 - 8 districts are being monitored for compliance
- May request a one-year waiver due to “unusual and limited circumstances”

Categorical Balances

A.C.A. § 6-20-2305(e)(2)

- See Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds (May 2016)
- Requires that the balance of all categorical funds be no more than 20% of annual categorical funding
- If the balance exceeds 20%, the district is required to reduce the balance by a minimum of 10% per year until the balance is no more than 20%
 - Since FY12, 99 districts have been identified as exceeding 20% balance
 - As of FY17, 20 are being monitored for compliance with the 10% annual balance reduction
- No waiver of this requirement

Penalties due to NSL Expenditures and NSL & Categorical Balance Requirements

FY14

- 20 districts failed to meet the requirements
- Funds withheld \$514,150

FY15

- 6 districts failed to meet the requirements
- Funds withheld \$340,642

FY16

- 8 districts failed to meet the requirements
- Funds withheld \$259,245

Since FY12 42 districts have paid a total of \$2,701,977 in penalties

Limitation on Fund Balances

A.C.A. § 6-20-2210

amended by Act 1105 of 2017

- Districts with a year end net legal balance that exceeds 20% of current year net legal balance revenues shall reduce the net legal balance to no more than 20% of current year net legal balance revenues within 5 years
 - Net legal balance is the combined balance for the teacher salary fund, the operating fund, and the debt service fund; minus the combined balance for categorical funds and escrow balance restricted for the retirement of federal qualified bonds
 - Net legal balance revenues are the revenues placed in the salary fund, the operating fund, and the debt service fund; minus revenues placed in the categorical funds and proceeds derived from federal qualified bonds

Limitation on Fund Balances

- Net legal balance revenues do not include
 - Bonds or other debt proceeds
 - Loans
 - Bonded debt refunding savings
 - Consolidation and annexation funding
 - Audit adjustments
 - Proceeds from the sale or loss of district real or personal property
 - Interfund transfers, or
 - Other nonrevenue financing sources defined in the Arkansas Financial Accounting Handbook

Limitation on Fund Balances

- Districts balances may be reduced by transferring funds into the building fund
 - Funds transferred into the building fund must be used to for construction, renovation, repair, or other planned expenditures
- If the building fund expenditures are canceled, and transferring the funds back to the fund from which they came would increase the net legal balance to more than 20%, the district may spend the funds on:
 - Prekindergarten programs
 - Remediation programs
 - Career and technical education or workforce readiness programs, or
 - Any other program or for any other purpose allowed by law

Limitation on Fund Balances

- The ADE shall
 - Monitor annually for compliance
 - Withhold state funding when the district fails to make the required reduction
 - The withholding amount shall be equal to the amount the district failed to reduce the balance
 - District may request the Commissioner grant a waiver of the withholding
 - Waiver must describe the unusual and limited circumstances for failure to reduce the balance
- Act 1105 is effective August 1, 2017
- June 30, 2018 balances will be the first balances reviewed for compliance
- ADE will publish Rules

Maintenance of Effort

Commissioner's Memo FIN-17-028

- Maintenance of effort (MOE) requires local educational agencies to maintain their state and local expenditures at a specified level from one fiscal year to the next
 - ESSA programs carry 90% MOE requirement
 - Calculated by Federal Grants Management
 - FY18 data pulled after Oct 1
- USDE may allow waiver for MOE if
 - Exceptional or uncontrollable circumstances (natural disaster or change in organization structure) or
 - Precipitous decline in financial resources

Maintenance of Effort

Commissioner's Memo FIN-17-028

- Waiver granted constitutes MOE met for that year
- New under ESSA: An SEA must reduce an LEA's allocation under a covered program if the LEA fails to maintain effort in a given fiscal year and also failed to maintain effort in one or more of the five immediately preceding fiscal years.

Required Data Submission for Indirect Cost Rate

- Indirect Cost Rates
 - Closing FY17 districts will use the current rates posted in Commissioner's Memo FIN-17-005
- Subawards
 - Require little to no administrative effort and have specific program objectives
 - Reported to ADE Federal Finance at close of each fiscal year
 - Rates are based on expenditures from the second preceding year
 - FY16 expenditures and subawards used in FY18 rates

Indirect Cost Rate

- Rates published by August each year for that year's charges
 - Apply current year rate to qualifying expenditures in each fund
 - Direct expenditures less capital outlay and subawards over \$25,000
- Other cause of audit finding is district use of the wrong “base” in indirect cost calculation
 - Indirect costs should be charged against actual, qualifying expenditures (not budgeted amounts) using the correct rate for the year
 - For example, FY17 expenditures should be multiplied by the FY17 indirect cost rate to determine correct amount to be recouped from each federal fund

Federal Time Certification

- Districts must demonstrate employee worked on specific grant program if he/she is paid with federal funds
- New Every Student Succeeds Act (ESSA) uses new language on this requirement
 - “Time Distribution Record”
 - USDE has not provided new guidance on this topic

Federal Reimbursements

Year End FY17 and Beginning of FY18

Commissioner's Memo FIN-17-042

- If a fund has a positive ending balance at the close of FY17, leave the balance in the federal fund for rollover as a “beginning balance” in FY18
- No payments will be processed in July or August for FY17 or FY18 due to the many expenditure revisions districts have in federal funds during period 13
- ADE will require district “accruals” to be reversed in period 1 of FY18 in order to see the “negative revenue” in each fund in the Cognos report

Federal Reimbursements

Year End FY17 and Beginning of FY18

Commissioner's Memo FIN-17-042

- Do not receipt the revenue to the receivable account. Reverse the exact accrual entry which will reflect negative revenue in period 1 until the funds are received and receipted
- The final FY17 payments and the first FY18 payments will be made from the district warehouse load on September 16, 2017

10% Variance in Federal Funds Budgets

- The 10% Variance in federal funds budgets is based on the total budget for each function compared to the total actual expenditures for each function and the total budget for each object compared to the total actual expenditures for each object
 - The “10% Variance” refers to when actual expenditures exceed budgeted expenditures
 - Indirect cost total budgeted compared to amount charged can’t exceed 10% variance
 - Does not apply to categorical funds
- For ESSA budgets, see EDGAR Section 200.308

10% Variance in Federal Funds Budgets Example

Total Budget Amount = \$331,595

- Calculate 10% of Total Budget = \$33,159 ($\$331,595 \times 10\%$)
- Compare each function total actual expenditure to each function budgeted expenditure
- If the function line variance is greater than 10% of total budget, it is out of compliance.

Fund	Fund Description	Func.	Function Description	Budgeted Amount	Actual Amount	Variance Budget to Actual
6501	ESEA Title I	1511	Before/After School Programs	11,175	6,759	4,416
	Regular - Comp Education CFDA 84.010	1550	Early Childhood Education	67,146	49,263	17,883
		1591	Title I Schoolwide Instruction	181,771	146,249	35,522
		2130	Health Services	29,045	23,630	5,415
		2324	State and Federal Relations	35,458	37,883	(2,425)
		5500	Indirect Costs	7,000	8,501	(1,501)
Total (Fund ID)				331,595	272,285	59,310

10% Variance in Federal Funds Budgets Example

Example:

- Function 2324 Variance = **(\$2,425)**
 - The function expenditure is in compliance because the line expenditure variance is less than 10% (\$33,159)

Fund	Fund Description	Func.	Function Description	Budgeted Amount	Actual Amount	Variance Budget to Actual
6501	ESEA Title I Regular - Comp Education CFDA 84.010	1511	Before/After School Programs	11,175	6,759	4,416
		1550	Early Childhood Education	67,146	49,263	17,883
		1591	Title I Schoolwide Instruction	181,771	146,249	35,522
		2130	Health Services	29,045	23,630	5,415
		2324	State and Federal Relations	35,458	37,883	(2,425)
		5500	Indirect Costs	7,000	8,501	(1,501)
Total (Fund ID)				331,595	272,285	59,310

10% Variance in Federal Funds Budgets Example

Example:

Function 1591 Variance = \$35,522

- Function 1591 is in compliance because actual expenditures are less than budgeted expenditures

Fund	Fund Description	Func.	Function Description	Budgeted Amount	Actual Amount	Variance Budget to Actual
6501	ESEA Title I Regular - Comp Education CFDA 84.010	1511	Before/After School Programs	11,175	6,759	4,416
		1550	Early Childhood Education	67,146	49,263	17,883
		1591	Title I Schoolwide Instruction	181,771	146,249	35,522
		2130	Health Services	29,045	23,630	5,415
		2324	State and Federal Relations	35,458	37,883	(2,425)
		5500	Indirect Costs	7,000	8,501	(1,501)
Total (Fund ID)				331,595	272,285	59,310

10% Variance in Federal Funds Budgets Example

If the Object Column variance is greater than 10% of total budget, it is out of compliance.

Example:

- 61000 variance cannot be greater than 10% of total budget
- 62000 variance cannot be greater than 10% of total budget
- Etc.

Federal Funding Website

- <http://www.arkansased.gov/divisions/fiscal-and-administrative-services/lea-federal-funding>
 - Federal funding and fiscal issues
 - ESEA/ESSA
 - Includes:



The image shows a screenshot of a website menu titled "Federal Funding". The menu is displayed in a light blue box with a dark blue header. The items listed in the menu are:

Federal Funding	
Allocations	▶
Carryover (Allotment Balances)	▶
Federal Fund Statements	▶
Federal Grant Management Procedures	▶
Grant Award Letters	▶
Indirect Cost	▶
Maintenance of Effort	▶
Title I Comparability	▶

FY18 Federal Funding Changes

- Alternative poverty parameter will be direct certification count with federal multiplier (currently 1.6)
 - Change to processes that used free/reduced counts in federal funding formulas
- Title I – “hold harmless” provision lifted for one year re-set for school improvement state set-aside.
 - ESSA increases state set-aside from 4% to 7%.
- School Improvement (1003g) – eliminated under ESSA. No new grants awarded to states. Current district grantees will continue thru end of funding cycle.
- Title IIa – “hold harmless” or “base” funding removed; formula now totally based on population and poverty (20% population/80% poverty)

Required Annual Reports

A.C.A. § 6-20-2202(e)

- ADE is required to submit a list of all required financial accountability reports annually
- List includes all reports submitted electronically
- List includes the due date and the ADE Contact Person
- ADE is authorized by A.C.A. § 6-20-2202(e)(1) to withhold state aid from school districts that fail to file budgets and other required reports in a timely manner
- Report is in Excel, so it can be sorted by Due Date, ADE Contact person, Division, etc.
- Commissioner's Memo is issued annually by July 1

Required Annual Reports

Arkansas Department of Education
 2016-2017 Annual Reports
 as Required by
 A.C.A. § 6-20-2202(e)(1)

The following is a list of mandated reports for the 2016-2017 school year that districts must file with the Arkansas Department of Education (ADE). Under A.C.A. § 6-20-2202, if these reports are not submitted to the ADE in a timely manner, state aid could be withheld from the district.

The Statewide Information System (SIS) data collected through APSCN is also required in order to produce other mandated reports. Specific data requirements are listed on the APSCN Web Site at <http://www.apscn.org>.

Required Report Contacts and Submission Schedule

(E) =	Electronic Submission				
(NE) =	Not Electronic				
	Due Date	Data-Report Name	Contact	Telephone	Division
(E) =	7/1/2016	Advanced Placement Incentive Program Expenditure Report	Mary Kathryn Stein	501-682-4224	Learning Services
(E) =	7/8/2016	Open-Enrollment Charter Schools Student Enrollment Counts due to Public Charter School Office	Alexandra Boyd	501-683-5313	Learning Services
(E) =	7/10/2016	Fourth Quarter Report for Public Charter Schools due to Public Charter School Office	Alexandra Boyd	501-683-5313	Learning Services
(E) =	7/10/2016	Child Nutrition Claim for June Reimbursement	Dianna Sheppard	501-324-9502	Educator Effectiveness and Licensure
(E) =	7/18/2016	Extended School Year Payment Request - Part 1	Mikki Eubank	501-682-4293	Learning Services
(E) =	8/10/2016	Child Nutrition Claim for July Reimbursement Element	Dianna Sheppard	501-324-9502	Educator Effectiveness and Licensure
(E) =	9/10/2016	Child Nutrition Claim for August Reimbursement	Dianna Sheppard	501-324-9502	Educator Effectiveness and Licensure
(E) =	9/12/2016	Extended School Year Payment Request - Part 2	Mikki Eubank	501-682-4293	Learning Services

ADE Contact Person list

ADE CONTACTS 2016-2017			
Data-Report Name	Contact	Telephone	Division
Child Nutrition – Student Meal	Suzanne Davidson	501-324-9502	Educator Effectiveness and Licensure
Tri-Annual Tornado-Fire Drill	Terry Granderson	501-682-4261	Facilities & Transportation
Annual Financial Report	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Arkansas Statistical Report (ASR) (Finance)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Accrued Revenue (Finance)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Average Daily Membership (for Funding)	Vivian Roberts	501-682-4486	Fiscal & Administrative Services
Classified Personnel (Salary Schedule)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Legal Balance (Finance)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Licensed Personnel (Salary Schedule)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
List of School Audit findings for salary increases > 5%	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Millage (School Election Results)	Alisa Moore	501-682-5059	Fiscal & Administrative Services
Miscellaneous Funds	Cindy Hollowell	501-682-4484	Fiscal & Administrative Services
NSLA Programs	Patty Martin	501-682-1114	Fiscal & Administrative Services
Property Values (Finance)	Alisa Moore	501-682-5059	Fiscal & Administrative Services

EBD

Penalties for Late Payments

A.C.A. § 21-5-415

Nonpayment of premiums and failure to file reports by agency or school district

(a)(1) If any participating state agency or school district does not remit insurance premiums and required monthly reports to the Employee Benefits Division of the Department of Finance and Administration by the last calendar day of each billing month, the division shall impose a penalty of two dollars (\$2.00) per insured member or one hundred dollars (\$100), whichever is greater

(3) Penalties are payable to the division and shall be delivered to the division no later than the last calendar day of the month following invoicing

EBD

Penalties for Late Payments

A.C.A. § 21-5-415

(4) If payment is not delivered to the division by the due date, the following collection methods may be used:

(A) (i) The Chief Fiscal Officer of the State may cause the amount sought to be transferred to the division from:

(a) Funds the state agency or school district has on deposit with the Treasurer of State; or

(b) Any funds the state agency or school district is due from the state

EBD Contact Information and focus on Customer Service

- General phone number 501.682.9656
- Toll free phone number 877.815.1017, #1 for member services
- Email Ask.EBD@dfa.Arkansas.gov
- Updated Benefits Administration Manual available at <https://my.ARBenefits.org> > Forms & Publications> Public Schools>School Insurance Representatives> Forms> Benefits Administration Manual
- New portal for individual members to see information on their plan, to upload documentation, see alerts for communications with EBD. Available at <https://my.ARBenefits.org> >Forms & Publications>Member Portal Guide

District Waivers of Statutes and Rules Act 1240 of 2015 and A.C.A. §6-15-103

- The State Board of Education may grant the same waivers to a school district as granted to an open enrollment charter school
- District is eligible to apply for waivers if a student who resides in the district attends an open enrollment charter school
 - Includes students attending Arkansas Virtual Academy and Arkansas Connections Academy
- Additional Information available at:
 - Commissioners Memos LS-16-041, LS-15-074 and LS-15-080
 - <http://www.arkansased.gov/divisions/learning-services/district-waiver-requests>
- Contact Kelly McLaughlin at 501.683.5312

District Waivers of Statutes and Rules

- 62 school districts have been granted Act 1240 Waivers
- 536 individual waivers have been granted
- The most granted waivers are:
 - School day hours (A.C.A. § 6-16-102 and A.C.A. § 6-18-210)
 - Planned instructional time (Standards for Accreditation 10.01.4)
 - Attendance (Rules Governing Mandatory Attendance)
 - Teacher Licensure (A.C.A. § 6-17-309, 401, 902, and 919, § 6-15-1004, Standards for Accreditation 15.03, Rules Governing Educator Licensure)
 - Library Media (A.C.A. § 6-25-103 and 104, Standards for Accreditation)
 - Teacher Salary Fund authorized disbursements (A.C.A. § 6-17-908)

Prohibited District Waivers

- The following topics can not be waived:
 - High school graduation requirements
 - 38 credits offered annually
 - Public school accountability
 - Special Education
 - Health and safety codes
 - Civil Rights
 - Disability Rights
 - Monitoring Compliance
 - Criminal Background checks
 - Financial audits, auditing procedures and requirements
 - Open records and open meetings
 - Purchasing limitations and requirements

FY16 Audits

10 Top Findings

- No Findings
- Segregation of Duties – Internal Control
- Misstatements – Internal Control
- Misappropriation of funds
- Allowable Costs/Cost Principles
- Eligibility for free and/or reduced lunch errors (CNU)
- Overstated/Understated claimed meals (CNU)
- Compliance requirements
- Fixed Assets not recorded in inventory or could not be located
- Reporting – exceeding program budget federal variances beyond 10%

FY16 Audits Top Findings

- Examples of Misstatements:
 - over/understatements of accounts receivable, accounts payable
 - Not recording deposit with paying agent
 - Not recording federal revenue
 - Not properly recording facilities expense or construction service expense
 - Under/over stating principal and interest expense and fees

FY16 Audits

Corrective Action Plans

- To ensure compliance with federal and state requirements, the corrective action plan (CAP) shall include:
 - A statement of findings
 - The specific corrective actions to be taken to remedy each finding
 - The person responsible for implementing the corrective actions
 - The timeline for completion of the implementation of the corrective actions
 - A specific explanation of the district's rebuttal to the finding, if applicable

FY16 Audits

Corrective Action Plans

- Uniform guidance requires that the auditee (school entities) to include more detailed reasons for any recurring findings in the CAP
- The corrective action plan must be prepared by the school entity and not the auditor

FY16 Audits

Management Letters

- Clerical errors causing misstatements and over/under payroll payments
- Contracting with business in which an employee has an interest without board resolution or ADE approval
- Failure to reconcile bank statements in a timely manner
- Inadequate Disaster Recovery Plan/Security and Use Policy
- Receipting money, cash handling
- Employee theft/unaccounted activity funds
- Failure to obtain performance bonds for construction
- contracts or properly obtaining bids
- Uninsured and uncollateralized funds
- Fixed Assets were not capitalized or could not be located

FY16 Audits

Expenditure Findings

- Expenditures that are non-allowed
- Expenditures over approved budget, both federal and state
- Clerical errors
- Miscoding
- Not accounting for principal and interest payments correctly

FY16 Audits Activity Funds

- Funds not accounted for:
 - ○ possible theft
 - ○ no receipt book or receipt numbers missing
- Lack of documentation
- Items purchased from an activity fund that is not the intended purpose of the fund
- Items paid for through activity funds – non allowable

FY16 Audits Activity Funds

- Things to remember with activity funds:
- They are District Funds
- All rules still apply:
 - Receipts
 - Invoices
 - No cashing employee checks
 - Fixed assets are still owned by the district
 - Purchasing and bid rules apply
 - Checks made out to the district and never cashed
 - Follow district procedures and policies
 - Internal Controls
- The source and purpose of the fund determines the uses and
- rules of the fund

FY16 Audits

Activity Funds

- Revenues for activity can include such revenue as the following:
 - Fundraising activities
 - Gate receipts, vending machine proceeds, student fees
- Expenditures approved by the student organization and its sponsor can include such expenditures as the following:
 - Supplies and equipment used by the organization
 - Travel/transportation expenses for the organization
 - Items purchased for resale/fundraising activities
 - Cash donations or purchases to benefit school or programs (i.e., field trips, athletics, band uniforms, book fairs)

FY18 Budget Reviews

Items to be Reviewed

- GT Requirement
 - Debt (proper coding)
 - Revenues
 - Expenditures
 - Fund Balances
 - Categorical Funds
 - 9% M&O Requirement
 - Food Service
 - Capital Expenses
 - Taxes
 - Employee Benefits
 - Transfers
-
- Will concentrate on expenditures, especially salaries and benefits
 - Will review E-rate is budgeted (Object Code 65331)
 - Will review that matrix transfer is budgeted appropriately (Object Code 69321) and (Object 69322)

FY17 Budget Reviews

Top Findings

- Debt not properly budgeted
 - Budget all debt including installment contracts and lease purchase debt that is being paid from operating funds
 - Please be sure to budget the most current principal and interest due for the year from the schedule provided by your lender
 - Always use the FINAL amortization schedule
- GT or 9% M&O not budgeted to the expenditure requirement

FY17 Budget Reviews

Top Findings

- All state revenue not budgeted (i.e., Declining Enrollment, Professional Development, Alternative Learning Environment, Bonded Debt Assistance)
- Tax revenue budgeted the same as prior year
- Carryover balances budgeted as revenue in categorical funding
- Matrix transfer not correct or not budgeted
 - School districts transfer from 2001 to 2000
 - Charter schools transfer from 2001 to 2200
- Food service revenue and expenditures not budgeted

Internal Controls

Can be:

- Preventive
- Detective
- Directive
- “Hard” or “Soft”
- Internal Control is not going through the motions

Internal Controls

“Hard” and “Soft” Controls

Hard	Soft
Tangible	Intangible
Form	Substance
Objective	Subjective (“I think”)
Easy to Access	Hard to Access
Code of Ethics	Honesty
Policy	Understanding
Password	Attitude
Reconciliation	Tone at the Top
Training	Morale

Internal Control

“Internal controls are much more than just a set of procedures we put in place to safeguard assets. Rather, they are the cumulative sum of all the things we do as public servants to identify, monitor, and manage risk in our organizations.”

Thomas P. DiNapoli
New York State Comptroller

Internal Control

- A top repeat audit finding
- Audit will be looking for documentation that the Standards for Internal Control have been implemented
- Districts are already doing many of the activities of internal control, but should write the activities down
- Controls are activities that monitor, review, verify
 - Do not confuse Controls with Processes
 - Processes are how you do something
 - Controls are how you monitor, review, verify the process was done

Internal Control

- Examples of what do you monitor, review, verify:
 - Purchases are being made according to district policy?
 - Activity funds are being handled correctly?
 - Payroll is correct?
 - Bank reconciliation is completed monthly and is balanced?
 - Cash account is correct?

Finding on Segregation of Duties

- Not necessarily a finding for small districts
- Implement Compensating Controls
 - Have someone monitor, review, verify the work
 - Write the controls

The Green Book

Internal Control

- The Government Accountability Office (GAO) has issued an updated “Standards for Internal Control,” commonly referred to as the “Green Book”
- OMB was not able to update the Internal Control guidance with the publication of the Uniform Grants Guidance (UGG) release so auditors will look to the Green Book and the Committee of Sponsoring Organizations (COSO) for compliance on internal control until OMB can update Part 6 dealing with internal control
- COSO has issued a new framework to help districts design and implement internal control

The Green Book

Internal Control

- The Green Book framework emphasizes five components of internal control and 17 principles that must be present in an effective system of internal control.
- The seventeen principles are listed under the five components of internal control
- The “Green Book” is an 86 page document
 - Included in the Appendix as a .pdf
 - Available at: <http://www.gao.gov/assets/670/665712.pdf>
- The five Components and 17 Principals are summarized in the Green Book on pages 7-9

The Green Book

5 Components of Internal Control

Control Environment

- The foundation for an internal control system
- Provides discipline and structure to help an entity achieve its objectives

Risk Assessment

- Assesses the risks facing the entity as it seeks to achieve its objectives
- Assessment provides the basis for developing appropriate risk responses

The Green Book

5 Components of Internal Control

Questions to ask when considering risk:

- What could go wrong?
- What could keep us from meeting an objective(s)?
- What could impact our reputation?
- What kind of frauds could occur?
- What significant changes are in the works? Internal?
External?

The Green Book

5 Components of Internal Control

Control Activities

- The actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity's information system
- The policies and procedures and the things we do to ensure we prevent or detect such as verification, reconciliation, review, authorization, and training

Information and Communication

- The quality information management and personnel communicate and use to support the internal control system

Monitoring

- Activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audit and other reviews

The Green Book

Five Components and 17 Principals

Figure 3: The Five Components and 17 Principles of Internal Control

Control Environment

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

Risk Assessment

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

Control Activities

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

Information and Communication

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

Monitoring

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members and other Parties (March 2016)

Generally, A.C.A. § 6-24-101 *et seq.*

- All transactions involving a board member, administrator, or employee or any of those group's family members are subject to disclosure of conflicts of interest, school board review, and, where applicable, independent review and approval by the Commissioner
- There is an absolute prohibition on administrators contracting with their own district. In unusual circumstances an administrator's family member may contract with the district, with Commissioner approval regardless of dollar amount.

Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members and other Parties (March 2016)

- Any vendor contracts/independent contracts worth \$10,000 or more must be reviewed by the Commissioner
- Any employment contracts (new hires) with board member's family that are worth more than \$5,000 must be reviewed by the Commissioner
- Any change to such employment contracts that result in a raise of more than \$2,500 must be reviewed by the Commissioner

Ethical Guidelines Definitions

A.C.A. § 6-24-102

(8) "Directly" or "directly interested" means receiving compensation or other benefits personally or to an individual's household from the person, business, or entity contracting with the public educational entity;

(12) "Family" or "family members" means:

(A) An individual's spouse;

(B) Children of the individual or children of the individual's spouse;

(C) The spouse of a child of the individual or the spouse of a child of the individual's spouse;

(D) Parents of the individual or parents of the individual's spouse;

Ethical Guidelines Definitions

A.C.A. § 6-24-102

(12) "Family" or "family members" means:

(E) Brothers and sisters of the individual or brothers and sisters of the individual's spouse;

(F) Anyone living or residing in the same residence or household with the individual or in the same residence or household with the individual's spouse; or

(G) Anyone acting or serving as an agent of the individual or as an agent of the individual's spouse;

Ethical Guidelines

Best Practices

- Annually, have all board members, administrators, and employees read and sign disclosure forms
 - They should list both conflicts and potential conflicts.
 - See Form A, Notification Letter
 - See Form B, Contract Disclosure Form
 - Keep these forms in the district audit file
- Have a formal action to approve the Board Resolution
 - See Form C, Resolution
- The threshold for Commissioner approval is \$10,000
 - Plan to use the \$10,000 at the local level
 - Only request Commissioner approval if the contract will equal or exceed \$10,000

Ethical Guidelines

Best Practices

- Provide a cover letter with the request for Commissioner approval
 - Clearly explain the Limited and Unusual circumstances
 - E.g. Is there a limited number of local providers? Are services being offered at a discount?
 - Include a copy of the bid
 - Include a copy of the board policy
- Commissioner approval is for 2 years
 - All approvals expire on June 30
 - Submit requests early in the fiscal year
 - Submit requests in batches to better manage the requests

Registration of Short Term Debt

A.C.A. § 6-20-402

- Postdated warrants, lease-purchase agreements, and installment contracts must be registered with the district treasurer and ADE on forms provided or approved by ADE
- If a district pre-pays a registered short-term debt or deviates from the registered amortization schedule on file with the ADE, the district should notify the ADE in writing or by email, of the early pay-off or provide the revised amortization schedule
- For registration forms and instructions, please contact Amy Woody at 501.682.4465 or Amy.Woody@Arkansas.gov

Notification of Current Indebtedness

A.C.A. § 6-20-402

as amended by Act 741 of 2017, Section 4

- School districts shall promptly notify the ADE of current indebtedness incurred
- For notification forms and instructions, please contact Cynthia Smith at 501.683.5288 or Cynthia.Smith@Arkansas.gov

Bond Refunding Savings Fund

A.C.A. § 6-20-2503

as amended by Act 931 of 2017

- Act 931 of 2017 has eliminated the expenditure restriction on refunding savings by allowing savings realized from the refunding of bonds issued and outstanding as of January 1, 2005 to be expended by school districts for any legitimate school or school district purpose
 - Fund 3300 will no longer be restricted
- Effective date August 1, 2017

Second Lien Bonds

A.C.A. § 6-20-1229

as amended by Act 935 of 2017

- Act 935 of 2017 removed the requirements for second lien bonds to be issued with equalized or decelerated payments and with the first interest payment due within eight months of issuance.
- Effective date August 1, 2017

APSCN Financial Cycle Reporting Most Common Errors

- Bank Reconciliation Build Error
 - Enter Bank Reconciliation in cycle prior to Build
 - Cycles 1 thru 9
- Job Assignment
 - Assignment code required for all employees with no student count in eSchool
 - Beginning teachers must have zero years experience

APSCN Financial Cycle Reporting Most Common Errors

- Experience Category Status
 - 0-Classified Staff
 - 1-Beginning Teacher
 - 2-Transfer from Another School District
 - 3-Did not teach here last Year
 - 4-Taught in this District Last Year
 - Cycles 1, 2, 6, 8, & 9
- State Reporting ID is blank
 - State ID numbers load every day from Triand after 4pm for all employees not in group S or X
 - Cycles 1 thru 9

APSCN Financial Cycle Reporting Most Common Errors

- Employee Health Insurance
 - District Match in District Table
 - Update only in Cycles 1 and 9
- Salary Schedules/Range/Step
 - Salary schedule on employees not in X or S Pay Group
 - Cycle 1
- Build Salaries and FTE (formerly Page 3637) prior to June 30
 - If build is done after June 30 and the budget unit on the pay rates has changed from the previous reporting year, the program cannot calculate FTE
 - Cycle 8

APSCN Financial Cycle Reporting Most Common Errors

- Error Message: Total Salary Fund Mismatch from Page 3637
 - Salary on 3637 is not equal to ledger expenditures for 61000-61999
 - Example Fund1 Expenditures \$92,287,209.94, Salary \$92,287,209.30
 - Cause could be JE to salary after submission on Cycle 8
 - Cycle 9

APSCN Financial Cycle Reporting Most Common Errors

- Act 61 Tier II
 - List Tier II Trainer(s) who had Tier I training and trained district employees
 - Date Tier II trainer attended Tier I training
 - Answer question Y or N: Is list of employees who attended Tier II Training maintained in district office?
 - If the Tier II Trainer is NOT an employee of the district SSN is NOT required
 - Leave blank in the cycle table, it will not give an error.
 - Cycle 7

APSCN Financial Reporting Certification of Data Accuracy and Timely Submission of Data

Approximately 85% of districts submit the forms as required

Statewide Information System 2016-2017 CYCLE 6 – Certification of Data Accuracy

I hereby certify by my signature below that I have thoroughly reviewed the information contained in the following individual reports required for the statewide information cycle 6 report and that the data contained in each report is true, accurate and timely for the reporting time period of each required report. I further certify that each report is a complete and full report of all data required by the respective reports and that no further edits or resubmissions of any report is necessary. Therefore, I hereby agree that no changes shall be made to these reports unless required by law or agreed to by the Arkansas Department of Education and based upon the forgoing promises and covenants I submit that the following reports accurately describe the status and condition of the

_____ School District as of _____.

Specifically, the reports I refer to above and submit as part of the cycle 6 submission process to the Arkansas Department of Education are as follows:

APSCN Financial Reporting Bank Reconciliation Report

Cycle Bank Reconciliation report(s)

- See page 44 of the Statewide Information System (SIS) Handbook 2017-2018

Bank Statement Balance – *This entered amount is the ending cash balance according to the bank statement being reconciled.*

<u>Cycle</u>	<u>Cycle Deadline</u>	<u>Accounting Period</u>	<u>Month End of Accounting Period</u>
Cycle 1	Sept 30	Period 1	July 31
Cycle 2	Oct 15	Period 2	August 31
Cycle 3	Nov 15	Period 3	September 30
Cycle 4	Dec 15	Period 4	October 31
Cycle 5	Feb 15	Period 5	November 30
Cycle 5	Feb 15	Period 6	December 31
Cycle 6	Apr 15	Period 7	January 31
Cycle 6	Apr 15	Period 8	February 28
Cycle 7	June 15	Period 9	March 31
Cycle 7	June 15	Period 10	April 30
Cycle 8	July 31	Period 11	May 31
Cycle 9	Aug 31	Period 12	June 30

“All Districts, Charters and Education Service Cooperatives are to submit bank reconciliations for every cycle.”

APSCN Financial Reporting Bank Reconciliation Report

Information included in the Bank Reconciliation report

- See page 44 of the Statewide Information System (SIS) Handbook 2017-2018

Deposits In Transit – <i>This entered amount is the money which is in transit to the bank since the closing date of the bank statement</i>
Outstanding Checks – <i>This pulled amount from database is the total amount of checks that have not been presented to the bank for payment.</i>
Adjusted Bank Balance – <i>The bank balance calculated from the bank statement (BC0040) plus the deposits in transit (BC0050) less the outstanding checks (BC0060).</i>
Computer Cash Balance – <i>The general ledger cash accounts total (cash account range: 01010 – 01029, 01070 – 01079).</i>
Bank Account Variance – <i>The difference between the adjusted bank balance (BC0070) less the computer cash balance (BC0080).</i>
Reconciled By – <i>Staff employee who reconciled bank statement.</i>
Date Reconciled – <i>Date staff employee reconciled bank statement.</i>
Date Reviewed By Superintendent – <i>Date superintendent reviewed reconciled bank statement.</i>

APSCN Financial Reporting Bank Reconciliation Report

The district's Bank Reconciliation Report is published each month to the ASPCN website:

- APSCN.org>Reports>Cycle Reports>Bank Reconciliations

Arkansas Department of Education

Arkansas Public School Computer Network

235 Districts, 15 Coops, and 24 Open Enrollment Charters for a total of 274 records.

Bank Reconciliation, January 2017 (Period 7 of Fiscal Year 2016/2017)

FY	CYCLE	PERIOD	LEA	DISTRICT	Bank Statement	Deposits in Transit	Outstanding Checks	Adjusted Bank Balance	Computer Cash Balance	Bank Account Variance
17	6	7		School District 1	6,067,322	0	177,521	5,889,802	5,755,446	134,355
17	6	7		School District 2	5,457,989	0	115,053	5,342,937	5,342,937	0
17	6	7		School District 3	1,135,096	0	115,643	1,019,454	1,019,454	0
17	6	7		School District 4	77,017,531	0	1,015,555	76,001,975	77,017,531	(1,015,555)
17	6	7		School District 5	1,992,028	0	44,094	1,947,934	1,947,934	0
17	6	7		School District 6	22,131,523	0	2,191,882	19,939,641	22,066,245	(2,126,604)
17	6	7		School District 7	9,183,038	0	148,973	9,034,065	9,034,065	0
17	6	7		School District 8	2,227,288	0	130,641	2,096,647	1,920,300	176,347
17	6	7		School District 9	7,479,365	0	1,801,460	5,677,905	7,045,206	(1,367,301)
17	6	7		School District 10	6,704,507	0	96,777	6,607,730	6,607,730	0
17	6	7		School District 11	3,225,338	0	99,452	3,125,886	2,466,787	659,099

APSCN Financial Reporting Bank Reconciliation Report

Beginning in Cycle 1 of FY18, the Bank Reconciliation form will include the following verification:

LEA: 0000000
 COUNTY: ARKANSAS
 DISTRICT: SCHOOL DISTRICT
 SCHOOL:

BANK RECONCILIATION
 SCHOOL YEAR: 2017 - 2018

PAGE: 1
 RPT503 - SIS CERTIFIED
 CYCLE: 1
 RUN: 5/30/2017 2:54:21 PM

Finance Period: 1

1.	BANK STATEMENT BALANCE	\$3,777,752.61
2.	PLUS DEPOSITS IN TRANSIT	\$00.00
3.	LESS OUTSTANDING BALANCE	\$239,564.56
4.	ADJUSTED BANK BALANCE	\$3,538,188.05
5.	LESS COMPUTER CASH BALANCE	\$3,538,188.05
6.	VARIANCE (Should be 0.00)	\$0.00

THIS CYCLE BANK RECONCILIATION REPORT HAS BEEN REVIEWED AND VERIFIED BY:

Reconciled by Printed Name	"Reconciled by" Signature	Date of Signature
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Superintendent Printed Name	Superintendent Signature	Date of Signature
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Variance Explanation

APSCN Financial Reporting Bank Reconciliation Report

All cycle certifications, including bank reconciliations, will be scanned and emailed beginning Cycle 8, July, 2017 to:

- apscnSIScertifications@Arkansas.gov

APSCN Financial Reporting Bank Variance Report

The district's Bank Variance data is published each month to the APSCN website:

- APSCN.org>Reports>Cycle Reports>Cycle Bank Rec Variance Report

Arkansas Department of Education									
Arkansas Public School Computer Network									
235 Districts, 15 Coops, and 24 Open Enrollment Charters for a total of 274 records.									
Bank Reconciliation, July 2016 - June 2017 Variance Report									
FY	LEA	District	JUL Bank Account Var Period 1	AUG Bank Account Var Period 2	SEP Bank Account Var Period 3	OCT Bank Account Var Period 4	NOV Bank Account Var Period 5	DEC Bank Account Var Period 6	JAN Bank Account Var Period 7
17		SCHOOL DISTRICT 1	0.18	0.00	(93.07)	10.00	0.00	0.00	0.00
17		SCHOOL DISTRICT 2	470,401.14	(963.80)	(333,333.00)	(1,042,620.15)	(906,602.48)	(212,569.23)	(1,015,555.47)
17		SCHOOL DISTRICT 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17		SCHOOL DISTRICT 4	(50,213.95)	0.00	0.00	(2,126,583.67)	(2,126,604.23)	(2,126,604.23)	(2,126,604.23)
17		SCHOOL DISTRICT 5	(36,581.58)	(36,035.19)	0.00	63,443.34	0.00	(500.00)	(1,095.00)
17		SCHOOL DISTRICT 6	(2,745.23)	(1,380.75)	(2,926.77)	(3,071.93)	(2,931.86)	(2,985.47)	(3,140.20)
17		SCHOOL DISTRICT 7	35.99	(37,739.48)	0.00	(1,500.00)	0.00	0.00	(3,554.41)
17		SCHOOL DISTRICT 8	(24,545.23)	27,358.47	57.77	(359.49)	1,742.14	88,123.83	176,347.38
17		SCHOOL DISTRICT 9	265,603.55	61,031.23	100,840.80	(67,300.41)	(50,568.41)	(139,087.60)	659,099.09

APSCN Financial Reporting

FY17 Bank Variances

The district's Bank Variance data is published each month to the ASPCN website:

- Bank variances FY17:

	Districts with a Variance	State Total Variance
Jul-16	98	(2,361,012)
Aug-16	84	527,234
Sep-16	81	4,663,770
Oct-16	85	(3,872,042)
Nov-16	80	29,371,426
Dec-16	87	(2,581,057)
Jan-17	80	(3,454,605)
Feb-17	80	(6,981,839)

APSCN Financial Reporting Certification of Accuracy of Database Security Administration

- The APSCN Security Audit requires ASPCN verification of all district security users
- Beginning May 2017, APSCN is required to verify payroll records to users in Security for validation of current employment
- Employee Number and Email address are required in security screen fields for Arkansas Security Audit
- Districts must provide documentation in the form of a copy of contract or email to validate users other than State users who are described in parenthesis after last name
 - A copy of an annual contract or quarterly statement is acceptable documentation

APSCN Financial Reporting Certification of Accuracy of Database Security Administration

- Certification of Accuracy of Database Security Administration form will be part of Cycle 1 submission
- District should complete the form, scan it, and email it to:
apscnSIScertifications@Arkansas.gov

APSCN Financial Reporting Vendor Name Changes

Changing Vendor Names in existing vendor records is an audit red flag for potential fraud. Be mindful of necessary changes.

- Please follow these guidelines :
 - Never change a vendor name from a company name to an individual name
 - Do not blank out or *** or *** DO NOT USE *** in a vendor name
 - Inactivate the vendor in eFinance
 - Minor changes to correct spelling errors are acceptable
 - If you are changing the complete name, inactivate the vendor and set up a new vendor

APSCN Financial Reporting Vendor Name Changes

- Never delete a vendor
- Train all users who have access to vendor records, OR update security resources so that only one user can change vendor records and verify that user knows the best practice for any and all vendor records

National Center for Education Statistics School Level Expenditure Coding

National Center for Education Statistics (NCES) collects statistics on American education. This data is widely used to analyze school performance indicators.

- ADE is required to submit school level reports for all expenditures for functions 1000, 2100, 2200, and 2400
- There was \$78,000,000 FY16 direct instruction expenditures coded to invalid LEAs that had to be allocated
- As requested by NCES, ADE has developed a method based on Average Daily Attendance (ADA) per LEA to allocate expenditures coded to invalid LEA numbers

School Level Expenditure Coding

- Whenever possible, districts should not use invalid LEA numbers in budget units
 - It is better for the districts to code to the correct LEA rather than the state using the allocation method for reporting expenditures among the district's LEAs
 - There are valid situations related to federal funds that will continue to require coding to invalid LEA numbers such as 699 and other XXX locations or federal funds for 'private school' set aside
 - See Commissioner's Memo FIN-17-033
 - The ADA allocation method will be applied to all of these expenditures

School Level Expenditure Coding

- There will be no changes to the exceptions report and the cycle validations to verify valid LEAs.
- If ESSA requires a school level report card, all expenditures coded district-wide and to invalid LEAs will be allocated to all valid LEAs by the ADA method

ACSIP shall include a General Description of Categorical Funds A.C.A. §6-15-426(f)(2)

- The “general description” should include the purpose and program evaluation
 - Include the approximate amount budgeted in APSCN for each categorical fund
 - Describe the use of the funds in a narrative description
 - How the district will evaluate the effectiveness of the expenditures
 - Purpose for which intervention was selected to accomplish
- All allowable expenditures of categorical funds are listed in the Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds (May 2016)

ACSIP shall include a General Description of Categorical Funds A.C.A. §6-15-426(f)(2)

- Audit will use the general description in ACSIP and the budget amounts in ASPCN.
 - The general description must align to the actual APSCN expenditures.
 - ACSIP is an approximate amount and does not have to equal the ASPCN expenditure

ACSIP General Description

Professional Development Example

Professional Development Funds will be used to develop and strengthen the use of a structured curriculum. Coaches and instructional facilitators will collaborate to vertically and horizontally align the curriculum.

1. PD funds will be used to attend local, state, and national conferences
2. Consultants will provide profession assistance in the development of curriculum
3. Conference registrations, hotel, meals, and travel will be included
4. Onsite PD will be facilitated
5. Substitute costs included

Professional Services	2223 2213 000 000 00	63*-65*	\$24,000
Supplies & Materials	2223 2213 000 000 00	66*	\$ 8,000
Dues & Fees	2223 2213 000 000 00	68*	\$ 2,500

Arkansas Public School Procurement Bidding

A.C.A. § 6-21-301 *et seq.*

- The board of directors of each school district shall prescribe the method of soliciting bids and may adopt other rules governing the procurement of commodities
 - May allow bidding for multiple years (copiers, maintenance, custodial, banking, etc.)
 - May include procedure for review, renewal, and terminating a contract
 - May include a clause that allows termination if a future school board fails to budget funds for the contract

State Bidding

A.C.A. § 6-21-304

as amended by Act 1124 of 2017

- Bid threshold for purchase of commodities is \$20,000
 - This is an increase from \$10,000
- Commodities means all supplies, goods, material, equipment, machinery, facilities, personal property, and services, other than personal and professional services purchased for or on behalf of the school district
- Commodities shall be procured by soliciting bids, provided the purchasing official may reject all bids and may purchase the commodity by negotiating a contract

State Bidding

A.C.A. § 6-21-304

as amended by Act 1124 of 2017

- Open Market purchases may be made when the price is less than \$20,000
 - This is an increase from \$10,000
- Do not parcel or split any item or items with the intent or purpose to enable the purchase to be made under a less restrictive procedure
- Do not impose specifications that unreasonably restrict competition
- Notify in writing all prospective bidders who have asked to be notified of bids
- Provide adequate time for a response
- Include a response form [see A.C.A. §6-21-304(a)(4)(A)]

State Bidding

A.C.A. § 6-21-304

as amended by Act 1124 of 2017

- Annually, on July 1, the Commissioner of Education shall adjust the purchase price amounts by the percentage change in the Consumer Price Index
- Effective date August 1, 2017

State Bidding

A.C.A. § 6-21-301 *et seq.*

- Exemptions from Bidding requirements
 - In an instance of unforeseen and unavoidable emergency
 - Attach a statement to the purchase order describing the emergency
- Commodities available only from the federal government
- Utility services, the rates for which are subject to regulation by a state agency or a federal regulatory agency;

State Bidding

A.C.A. § 6-21-301 *et seq.*

Act 442 of 2017 amended A.C.A. § 6-21-307

- School districts may purchase a new motor vehicle from a motor vehicle dealer licensed under the Arkansas Motor Vehicle Commission if the purchase price does not exceed the fleet price awarded by the Office of State Procurement and in effect at the time the school district submits the purchase order for the same make and model motor vehicle

State Bidding

A.C.A. § 6-21-301 *et seq.*

- Commodities available only from a single source
 - However, the purchasing official must determine in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of this statement shall be attached to the purchase order
 - Statement should explain why the commodity is needed, how it was determined there was no competition for the purchase, why the service or product is unique, what the district would do if the product was no longer available, and any other pertinent considerations

Arkansas Procurement Law

Small Procurement

A.C.A. § 19-11-201 et. al.

Amended by Act 1004 of 2017

- “Small Procurement” means a procurement not exceeding a purchase price of \$20,000
 - this is increased from \$10,000
- Small procurements may be procured without seeking competitive bids
- A.C.A. § 19-11-203 defines Commodities as: all property, including, but not limited to, equipment, printing, stationery, supplies, and insurance, but excluding leases on real property, real property, or a permanent interest in real property, exempt commodities and services, and capital improvements;

Arkansas Procurement Law Contracts

A.C.A. § 19-11-229 and 234 Amended by Act 1004 of 2017

- Contracts exceeding an estimated purchase price of \$75,000 shall be awarded by competitive bidding
 - increased from \$50,000
- Contracts in which the purchase price exceeds \$20,000 and is less than or equal to \$75,000 may be awarded by use of competitive bidding
 - \$20,000 is raised from \$10,000
 - \$75,000 is raised from \$50,000

Arkansas Procurement Law Contracts Amended by Act 1004 of 2017

- A.C.A. § 19-11-203 defines Contracts as all types of state agreements, regardless of what they may be called, for the purchase of commodities and services and for the disposal of surplus commodities and services not otherwise exempt; awards and notices of award, contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type, contracts providing for the issuance of job or task orders, leases, letter contracts, and purchase orders
- Act 1004 is effective August 1, 2017

Public School Procurement Cooperative Purchasing A.C.A. § 19-11-249

- Public schools are allowed to purchase off the statewide contracts
 - Utilizing state purchasing is a way for school districts, charters, and ESCs to ensure the cost is fair and reasonable
 - Office of State Procurement (OSP) manages the statewide contracts
 - They operate under different laws and rules than school districts
 - Can provide assistance in purchasing off the listed contacts
 - State Contracts list:
<http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/default.aspx>

Cooperative Purchasing

- Benefits include convenience, volume purchase advantages, reduces administrative costs and time
- New school buses are included in the OSP contacts
- An Arkansas governmental entity may utilize a purchasing agreement established by another governmental entity or established cooperative that has issued, reviewed, and awarded a contract to a supplier where all the procurement laws of Arkansas were followed.
 - Examples:
 - The Interlocal Purchasing System (TIPS)
 - Texas -Arkansas Purchasing System (TAPS)

Public School Procurement

Procurement of Professional Services

A.C.A. § 19-11-801

- Competitive bidding shall not be used for the procurement of legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services
- A public school may elect to not use competitive bidding for other professional services with a two-thirds (2/3) vote of the board
- Construction management means a project delivery method based on an agreement in which a public school acquires a series of services that include, but are not limited to, design review, scheduling, cost control, value engineering, constructability evaluation, preparation and coordination of bid packages, and construction administration

Public School Procurement Construction, Maintenance, and Capital Improvement Projects A.C.A. § 22-9-202 as amended by Act 725 of 2017

- For projects with an estimated cost of \$35,000 or more, the laws of the state of Arkansas contain specific requirements including advertising, sealed bids, timelines for awarding bids, bid bond, performance bonds, contractor licenses, and engineer and architect licenses
 - Increased from \$20,000
- Act 725 effective date is August 1, 2017

Public School Procurement

Purchase of Used School Buses

A.C.A. § 6-21-306

- The purchase of used school buses is not subject to competitive bidding
 - A school bus is considered “used” two years after the date of issuance of the manufacturer’s certificate of origin

Public School Procurement Sales and Use Tax

- Districts are only exempt from paying taxes on items that are exempted by law
- District pays use tax on items purchased from out of state vendor that does not charge tax on the invoice
- Districts pay use tax for any transaction for which it was invoiced

Sales Tax Exemptions

- School buses sold to Arkansas school districts (A.C.A. §26-52-410)
- Motor vehicles sold to Arkansas school districts (A.C.A. §26-52-410)
- Food, food ingredients, or prepared food sold in a school cafeteria or lunch room operated primarily for pupils and teaches (A.C.A. §26-52-401)
- Gasoline and diesel fuel purchased by a school district
- Sales of tickets for admission to athletic events and interscholastic activities at public and private schools (A.C.A. §26-52-412)
- Sales of sheet music, handheld calculators, electronic software, maps, globes, art supplies, manipulatives, and charts for classroom use (A.C.A. §26-52-437)
- Video tapes, DVDs, films, or cassettes used as part of a course of study (A.C.A. §26-52-437)
- Textbooks, library books, and other instructional materials are exempt if purchased by a school district (A.C.A. §26-52-437)

Sales Tax Non-Exempt

- Act 511 of 2013 removed “digital resources” from the definition of “instructional materials” in A.C.A. § 6-21-403
- It is the opinion of DFA that all computers, tablets, iPads, and similar items will be considered taxable purchases by a school district

Inventory Purchased with Federal Funds

2 CFR 200.313

- Use the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project
- Use and dispose of the property in accordance with federal guidance
- A state must use, manage and dispose of equipment acquired under a Federal award in accordance with state laws and procedures
- 2 CFR 200.313 is available at: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=da2e9dbd99a5f777a6ef449371435d71&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1313

Public School Procurement New Federal Guidelines

- Apply if item is being purchased with federal funds
- The effective date for the new federal Uniform Grants Guidance (UGG) was July 1, 2015
- UGG sets audit requirement at \$750,000 cumulative expenditures from federal funds
- All federal expenditures must be allowable, reasonable, and essential to the success of the federal program

Federal Procurement Procedures (2 CFR 200.67 and .320)

- Micro-purchases must use cost comparison to ensure a reasonable and fair cost
 - under \$3,000
 - Requires distributing purchases among qualified suppliers to the extent practicable
 - See 2 CFR 200.67 and 200.320
- Small purchases are simple and informal, securing services, or supplies
 - from \$3,501 - \$149,999 require price quotations from at least two qualified sources
 - Maintain documentation
 - See 2 CFR 200.320

Federal Procurement Procedures (2 CFR 200.317 – .326)

- Purchases of \$150,000 and greater require formal bidding procedures
 - Sealed Bids
 - Requires a complete description
 - Has to be two or more bids
 - Fixed price contract
 - Competitive proposal
 - Must be publicized
 - Solicited from adequate number of qualified sources
 - LEA must have a written method technical evaluations and selecting recipients
 - Contract awarded to most advantageous for program
 - Single Source

Federal Procurement Procedures (2 CFR 200.317 – .326)

- Maintain records to document rationale for:
 - Method of Procurement
 - Selection of vendor/contract
 - Reason for selection and/ or rejection
 - Basis for purchase price
- ADE recommends that LEAs follow state procurement procedures on bids and quotes

Federal Procurement Standards (2 CFR 200.318 – .326)

- 200.318 – General procurement standards
- 200.319 – Competition
- 200.320 – Methods of procurement to be followed
- 200.321 – Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms
- 200.322 – Procurement of recovered materials
- 200.323 – Contract cost and price
- 200.324 – Federal awarding agency or pass-through entity review
- 200.325 – Bonding requirements
- 200.326 – Contract provisions

Federal Procurement Standards Resources

- 2 CFR 200.67 Micro Purchases is available at:
https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=da2e9dbd99a5f777a6ef449371435d71&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_167
- 2 CFR 200.67 Small Purchases is available at:
https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=da2e9dbd99a5f777a6ef449371435d71&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_167
- 2 CFR 200.317 - 326 is available at: https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=da2e9dbd99a5f777a6ef449371435d71&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1317

Department of Labor

Fair Labor Standards Act

Independent Contractor v. Employee

In determining whether the person providing service is an employee or an independent contractor, all information that provides evidence of the degree of control and independence must be considered:

- Behavioral: Does the company control or have the right to control what the worker does and how the worker does his or her job?
 - How does worker receive work assignments?
 - Who is worker required to contact if problems or complaints arise?
 - If substitutes are needed, who hires them?
 - Who pays for substitutes?

Independent Contractor v. Employee

- Financial: Are the business aspects of the worker's job controlled by the payer?
 - What supplies, equipment, and property are provided by the worker and by the firm?
 - Does the worker lease equipment, space, or a facility?
 - What expenses are incurred by the worker?
 - Whom does the customer pay?
- Types of Relationship:
 - What benefits are available to the worker (pensions, insurance, paid holidays, ...)?
 - Can the relationship be terminated by either party?
 - Are there any agreements prohibiting competition between the worker and firm?
 - How does the firm represent the worker to its customers?

Independent Contractor v. Employee

Employee if:

- the Employer determines what will be done and how it will be done
- the Employer has the legal right to determine the details of how the services will be performed

Independent Contractor if:

- They are a business owner or contractor who provides services to other businesses

See Appendix for IRS Form SS-8 and IRS 20 Factor Test

Other information is available at:

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>

Advisory Committee on Public School Academic Facilities Comprehensive Review required by Act 801 of 2017

By July 31, 2018, The Advisory Committee shall conduct a comprehensive review and provide a report to the Commission for Academic Facilities and Transportation, including an analysis of:

- Current and long-term viability of the Academic Facilities Partnership program
- Efficacy of the academic facilities wealth index
- Project ranking and prioritization process of the Academic Facilities Partnership program

Advisory Committee on Public School Academic Facilities Comprehensive Review required by Act 801 of 2017

- Academic Facilities Master Plan Program and Academic Facilities Partnership program funding cycles
- Enrollment projections
- Cost factors
- Rules governing academic facilities program, and
- Degree of public school district compliance with required statewide computerized maintenance management systems usage
- Act 801 has an emergency clause

Arkansas Teacher Retirement System

Acts of 2017

Act 550 Adjustment to the Contribution Rate

- Allows the ATRS Board to set the member contribution rate at no less than 6% and may increase the member contribution rate to maintain actuarial soundness
- Can only increase the contribution rate to when the unfunded liabilities exceed eighteen years and the Board determines the increase is prudent to maintain actuarial soundness
- Act 550 has an emergency clause

Arkansas Teacher Retirement System

Acts of 2017

Act 575 Surcharge for Embedded Employees

- A district that outsources a normal daily operational service may choose whether to make outsourced employees become members of ATRS or to pay a surcharge on the outsourced employees salaries
- If the district chooses to pay a surcharge, the surcharge shall be
 - Five-tenths of one percent during FY18
 - One percent during FY19
 - Two percent during FY20
 - Three percent during FY21
 - An amount not to exceed four percent thereafter
- Effective date is August 1, 2017

Arkansas Teacher Retirement System Acts of 2017

Act 575 Surcharge for Embedded Employees

Coding examples for a district who pays the surcharge

- ATRS Benefit on Cafeteria (Food Service) Contracted Salaries:
 - 8000–3120-000-000-00 62321
- ATRS Benefit on Maintenance & Operation Contracted Salaries:
 - 2000 or 2001–2600-000-000-00 62321

Arkansas Teacher Retirement System Acts of 2017

Act 611 Average Salary Calculation / Anti-Spiking

- Allows the ATRS Board to adjust the anti-spiking formula
- Allows the percentage to be adjusted from a high of 120% to a low of 105% and the salary differential to be set from a high of \$5,000 to a low of \$1,250 per year
- Based on actuarial assumption that active member salaries increase by just over 3% a year
- Purpose of bill is to maintain the financial strength of ATRS in order to protect its members and to keep fairness in the benefit formula
- Act 611 has an emergency clause

Arkansas Teacher Retirement System

Acts of 2017

Act 750 Early Voluntary Retirement Reductions

- ATRS Board may approve the early retirement annuity reduction between 5% per year and 15% per year
 - The current reduction is 6% per year
- The System's actuary certifies unfunded liabilities exceed eighteen years and the Board determines the increase is prudent to maintain actuarial soundness
- Act 750 has an emergency clause

Act 821 Employer Contribution Rate

- The ATRS Board may modify the employer contribution rate by no more than .25% per fiscal year provided the System has a greater than 18 year amortization period to pay unfunded liabilities without a contribution rate of more than 14%
- Limited to a maximum employer contribution rate of 15%
- Act 821 has an emergency clause

ADE Fifth Annual Data & Reporting Conference Commissioner's Memo RT-17-029

Keep Calm and Collect Data

August 3 and 4, 2017

Statehouse Convention Center & Marriott Hotel
(Downtown Little Rock)

Registration May 19 - July 14

Resources

- ADE Web Site - <http://www.arkansased.gov>
 - Commissioner's Memos
 - Publications and Reports
 - Rules
- APSCN Web Site – <http://www.apscn.org>
 - FMS Listserv –
 - <http://lists.state.ar.us/mailman/listinfo/fms>
 - SMS Listserv –
 - http://lists.state.ar.us/mailman/listinfo/tac_hac
- APSCN Field Support
 - On-site, phone, email support M-F, 8:00 a.m.-4:30 p.m. or 7:30 a.m.-4:00 p.m.
- APSCN Help Desk
 - 501.682.4357 (682-HELP)
 - 1.800.435.7989



Resources

- ADE Data Center - <http://adedata.arkansas.gov>
- My School Info - <https://myschoolinfo.arkansas.gov/>
- Child Nutrition - <http://www.arkansased.gov/divisions/human-resources-educator-effectiveness-and-licensure/child-nutrition-unit>
- Academic Facilities and Transportation - <http://arkansasfacilities.arkansas.gov/>
- Arkansas Division of Legislative Audit - <http://www.arklegaudit.gov/>

ADE Contacts

- Questions regarding financial coding
 - Kathleen Crain at 501.682.4887
 - Kathleen.Crain@arkansas.gov
- Questions regarding transportation expenditure of funds
 - Jerry Owens, 501.682.4261
 - Jerry.Owens@arkansas.gov
- Questions regarding state LEA funding and loans and bonds
 - Cindy Hollowell at 501.682.4484
 - Cindy.Hollowell@arkansas.gov
- Questions regarding fiscal services and support
 - Cindy Smith at 501.683.5288
 - Cynthia.Smith@arkansas.gov

ADE Contacts

- Questions regarding financial audits, budgets, duplicate enrollments, property assessments and millage:
 - Alisa Moore at 501.682.5059
 - Alisa.Moore@arkansas.gov
- Questions regarding federal funding
 - Amy Thomas at 501.682.3636
 - Amy.Thomas@arkansas.gov
 - Kristy Hobson at 501.682.0116
 - Kristy.Hobson@arkansas.gov
 - Bonnie Casey at 501.682.4482
 - Bonnie.Casey@arkansas.gov

ADE Contacts

- Questions regarding special education
 - Lisa Haley at 501.682.4221 or
 - Lisa.Haley@arkansas.gov
- Questions regarding child nutrition:
 - Suzanne Davidson at 501.324.9502
 - Suzanne.Davidson@arkansas.gov
- Questions regarding NSL and categorical fund balances
 - Patty Martin at 501.682.1114
 - Patricia.Martin@arkansas.gov
- Other questions
 - Mr. Greg Rogers at Greg.Rogers@arkansas.gov

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