

# **AEA Certified Budget Instructions Including Juvenile Home Budget**

**Fiscal Year 2024**

## **Overview**

### **Authority**

The area education agency (AEA) budget document is collected under the authority of Iowa Code sections 273.3(12) and 282.31.

### **Due Dates**

By January 1 of the year prior to the fiscal year for which the budget applies, each AEA submits a proposed staffing, average daily membership (ADM), and number of classrooms for the Juvenile Home fund to the Department of Education (Department).

By February 10 of the year prior to the fiscal year for which the budget applies, each AEA submits a proposed budget to the Department. The Department reviews the budget and presents it to the State Board of Education for approval at the March board meeting. An unapproved budget must be resubmitted by May 15 to forward to the state board for final approval. The State Board gives final approval only to budgets submitted by AEAs accredited by the State Board, or that have been given conditional accreditation by the State Board.

## **Filing Method**

The budget form for filling out the staffing, ADM, and classroom information for the Juvenile Home fund is available through the [Iowa Education Portal](#) (Ed Portal) as the Juvenile Home Program Budget. If you do not have access to this application, request the application through the Portal, My Profile (top right corner).

The fiscal budget is also available on the Ed Portal as the AEA Certified Budget.

### **Basis of Reporting**

AEAs are required to report according to the definitions and classifications in the current edition of [Uniform Financial Accounting \(UFA\) Manual](#).

The UFA Manual is in compliance with Generally Accepted Accounting Principles (GAAP). If GAAP provides more than one way to account for a financial transaction, the Department or UFA Manual will determine which method will be used.

Report revenues and expenditures in the correct sources and functions. Do not use any central accounts. Do not do cost accounting or reallocation of any expenditures or revenues.

### **Recordkeeping**

Documentation used in the preparation of the AEA budget and juvenile home proposed budget must be retained for at least five years. Documentation includes the name of the person who calculated totals on the report, his or her title, reports that were relied upon to obtain the aggregate numbers, the item detail that resulted in each subtotal and total, worksheets and spreadsheets, statistical records, AEA publications, and internal guidelines and control documents. Similar documentation is maintained for the calculation of ADM.

Each teacher in the Juvenile Home educational program must keep a daily register which correctly exhibits the name of the home, the location of the school, the day of the week, month, year, and the name, age, and attendance of each student. If the student is being provided special education services pursuant to an individualized education program (IEP), the resident district of the parent or guardian of the student is noted. IC 256B.2(4)

### **Amendments**

If there are differences between the current year budget submitted to, and approved by, the State Board and the amounts reported in the re-estimated column on the Notice of Public hearing form, this will be considered an amendment to the budget and no separate filing needs to be sent to the Department.

If an AEA amends the Juvenile Home Fund, complete the Juvenile Home amendment spreadsheet (available from the Department contact). The spreadsheet has a place to enter the original budget amounts (or the most recently amended amounts) and to enter the new amendment amounts. The spreadsheet will automatically calculate the differences between the original budget and amendment.

### **Certifications and Signatures**

All portions of the report must be completed before the certification button will become available. More information is provided below under AEA Budget Status.

### **Questions**

Contact Jina Brincks at [jina.brincks@iowa.gov](mailto:jina.brincks@iowa.gov) or 515-313-5942, for questions related to the budget forms. Contact the Division of Learning and Results for questions regarding the instructional programs.

### **General Information**

- Base budgets on actual planned programs and expenditures; do not estimate budgets higher than actually anticipated.
- No entries may be negative other than ending balances or intrafund transactions (Objects 900-999).
- Categorical funding provided by the state to school districts or AEAs is not eligible for indirect cost recovery unless the Iowa Code section authorizing the funding or allocation expressly states that indirect cost recovery is permitted from that source. Therefore, administrative costs must be direct costs. 281 IAC 98.2(1)
- All funds are included except for Permanent Funds; Internal Services Funds, and Private Purpose, Pension, and Investment Trust Funds. However, interest earned on Permanent Funds must be transferred to an appropriate fund to be budgeted and expended.
- Complete the forms in the order presented, always clicking on the "UPDATE" button to save information. If a change is needed to a form previously completed, the process begins again (i.e., each form will need to be updated again).
- All cells must have a number, even if zero, to successfully complete a form.

## AEA Budget Status Screen

The AEA Budget Status screen displays the status of the various screens that must be completed. Once each of the four different screens displays "Complete", a "Certify" button will become available.

### Screen 1: Juvenile Home Instructional Program Requirements (Expenditures & Other Financing Uses), by Function/Object

#### Selection of a Continuing Budget

The AEA may use the expenditures from the 2021-2022 Juvenile Home Claim or the expenditures from the 2022-2023 budget as its Continuing Budget for 2023-2024. Waivers approved for the 2022-2023 budget would also be continued. This option is available for any AEA in which the number of classrooms has not decreased and the student ADM is anticipated to be substantially the same. To make this selection, submit a statement to that effect by email to the Department's contact.

Expenditures of the agency, such as insuring agency property, should be accounted for in the General Fund and should not be allocated to the Juvenile Home Fund.

As required by Administrative Rules and Iowa Code, juvenile home students shall have available to them special education support services, educational services, and media services comparable to those services made available to other students in the AEA or to school districts and nonpublic schools in the AEA. However, these costs are inherent costs to the respective AEA programs and are not to be assessed to the Juvenile Home educational program. These expenditures should be accounted for in the General Fund and should not be allocated to the Juvenile Home Fund.

Expenditures from categorical funding may be accounted for in the Juvenile Home Fund to the extent that categorical funding revenues have been accounted for in the same fund. Unexpended or encumbered categorical funding should be accounted for in the General Fund rather than the Juvenile Home Fund.

**Columns are object codes.** Refer to the UFA Manual for definitions.

- **Column 8**, is the total of columns 1 through 7.

**Rows are groups of function code categories.** Refer to the UFA Manual for definitions.

- **Row 11: Total Expenditures and Other Financing Uses** is the total of rows 1 through 10.

### Screen 2: AEA Budget Worksheet by Fund Resources (Sources) and Requirements (Functions) by Fund

The fund, source, function and object code definitions can be found in the [UFA Manual](#).

The **General Fund** is used to account for all transactions, except those that are required by law to be accounted for in another fund.

The **Special Education Instruction Fund** is used to account for the revenues and expenditures of the special education instructional program of the AEA as provided by Iowa Code subsection 273.9(2). Special education support services as provided by Iowa Code subsection 273.9(3) are accounted for in the General Fund.

The **Juvenile Home Fund** is used to account for the revenues and expenditures for the educational program for Juvenile Homes as provided by Iowa Code section 282.30. Revenues and expenditures related to federal or state grants serving students in the Juvenile Home that supplement, rather than supplant the Juvenile Home program are included in the General Fund, rather than the Juvenile Home Fund.

**Special Revenue Trust Funds** are used for a trust received where the principal and interest from the trust can be used for purposes that support the AEA's programs.

**Other Special Revenue Funds**, if applicable, are shown in column 5. Establishment of Other AEA Special Revenue Funds must be approved by the Department.

**Capital Projects Funds** are established when an AEA incurs authorized indebtedness for, initiates, or receives grants or other funds for capital projects. These capital projects are those related to the acquisition or construction of major capital facilities other than those financed by proprietary funds or trust funds. When a capital project for facilities is lawfully initiated in any existing fund, the moneys for that project are transferred to a Capital Projects Fund by an operating transfer and the payment of the project's expenditures are made from this fund. For purposes of the budget, all Capital Projects Funds are aggregated into one column.

**Debt Service Funds** are established when an AEA incurs authorized general long-term indebtedness, except those financed by proprietary or trust funds. The purpose of the fund is to pay interest as it becomes due and the amount necessary to pay the principal when due on authorized indebtedness issued by the AEA, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by Iowa Code. Moneys available to service this debt are transferred to the Debt Service Fund through an operating transfer, and the payment of the debt is made from this fund.

**Proprietary Funds (Enterprise)** are used to deposit and expend money related to operations that are financed and operated in a manner similar to private business, where the stated intent is that the cost of providing goods or services to students or to the general public on a continuing basis are financed or recovered primarily through user charges. Enterprise funds, rather than internal services funds, are used when the users of the proprietary activity are primarily entities other than the AEA.

COOP Purchasing is a common Enterprise Fund in an AEA. If the AEA subsidizes the purchases, report the subsidized portion as an expenditure in the General Fund.

Internal service funds are also proprietary funds; however, they are not budgeted. Instead, transfers to an internal service fund are reported as expenditures in the fund purchasing the services. All funds flowing into the internal service funds originate in another AEA fund.

**Total, Column 9.** This is the sum of columns 1 through 8.

**Entries on rows 21 to 37, column 3, Juvenile Home Fund** will be pre-populated from column 8 of the Juvenile Home Instructional Program Requirements worksheet.

**Row 1, Taxes, Source Codes 1100 – 1299.** Report the property tax portion of the controlled funding on this row. It is calculated as follows: Total payment to the AEA - State Foundation Aid. Total payment to the AEA is also called the AEA flow through.

**Row 8, State Foundation Aid, Source Code 3111.** Report the state aid portion of the controlled funding on this row. It is calculated as follows: (((special education weighting + basic enrollment) x AEA foundation amount) + sharing operations - state aid reduction). See the controlled funding worksheet.

- For Fiscal Year 2024, the AEA foundation amount is \$250 (Note: this may change once legislature meets since it was undecided in the last legislative session.)
- For Fiscal Year 2023, the AEA foundation amount is \$250.
- For Fiscal Year 2022, the AEA foundation amount is \$250.
- For Fiscal Year 2021, the AEA foundation amount is \$244.

The Department of Management (DOM) has helpful documents on its [School District Information](#) webpage. There are documents for AEA Enrollments and Costs (both detailed and summary) for Fiscal Year 2024 and a link to archived information for previous years.

**Row 9, Juvenile Home Tuition Aid Advance, Source Code 3121.** Include the amount of advance being requested for the Juvenile Home program. This amount should be equal to the total juvenile home program expenditures minus any revenues, other than the advance, to the Juvenile Home program.

**Row 13, Total Revenues.** This is the sum of rows 1 through 12.

**Row 14, General Long-Term Debt Proceeds, Source Codes 5000 – 5199, 5400 – 5699.** Report the anticipated proceeds from the issuance of participation notes, include the gross proceeds from sales of original and refunding notes. Report issuance costs under the appropriate expenditure object and function. Report discounts on original notes, if known at budget time, in the originating fund as Other Financing Uses on row 36. Report discounts on refunding notes in the Debt Service Fund as Other Financing Uses on row 36. Report proceeds of loans and leases greater than 12 months on row 14 in the originating fund. Do not include proceeds from anticipatory warrants, Iowa School Cash Anticipation Program (ISCAP), or interfund loans; these are only reported on the balance sheet.

**Row 15, Interfund Transfers In, Source Codes 5200 – 5299.** Used to classify operating transfers from other funds of the district. Operating transfers are transactions which withdraw money from one fund and place it in another without recourse. Interfund loans are not recorded here, but are handled through the balance sheets in the funds affected. In Iowa, interfund transfers require Code authorization or SBRC approval.

**Row 16, Proceeds of Fixed Asset Dispositions, Source Codes 5300 – 5399.** Report the proceeds from the sale of real property and proceeds from the sale of equipment and materials in the General Fund. Also report any compensation for loss of fixed assets.

**Row 17, Upward Adjustments & Other Financing Sources, Source Codes 5000-5099, 5700-6999.** Include any upward adjustments to beginning fund balance, other income items and any extraordinary items.

**Row 18, Total Revenues & Other Financing Sources.** This is the sum of rows 13 through 17.

**Row 19, Beginning Fund Balance.** This is the beginning fund balance for each of the applicable funds at the beginning of the fiscal year. In total, this will be the same as the re-estimated ending fund balance in 2023.

**Row 20, Total Resources.** This is the sum of Total Revenues & Other Financing Sources, row 18, and Beginning Fund Balance, row 19.

**Rows 23 and 23, Student and Instructional Staff Support Services** in Columns 2 and 3 will have limited use because the AEA is required to provide special education support services, media services support, and educational services support as part of its basic mission. Accordingly, most student support services will be accounted for in the General Fund.

**Row 33, Debt Service, Function Codes 5000 – 5999.** This is for servicing the debt of the AEA, including payments of both principal and interest. Normally, only long-term debt service (obligations exceeding one year) is recorded here. Interest on current loans (repayable within one year of receiving the obligation) is charged to function 2513 on row 26. The receipt and payment of principal on current loans are handled as adjustments to the balance sheet.

**Row 34, Total Expenditures.** This is the sum of rows 21 through 33.

**Row 35, Interfund Transfers Out. Function Codes 6200 – 6299.** This is for transactions that withdraw money from one fund and place it in another without recourse

**Row 36, Downward Adjustments and Other Financing Uses.** Include any downward adjustments to beginning fund balance. Discounts on original notes will be included on row 36 in the fund of origination. Discounts on refunding and payments to escrow agents will be included on row 36 in column 7. Allocate revenues to the appropriate funds when received rather than accepted in one fund and later transferred to another.

The total of all entries in row 15 will generally equal the total of all entries in row 35. Occasionally a transfer of interest from a non-budgeted fund to a budgeted fund, discounts on loans and refunding loans issued, or payments to an escrow agent will cause the total of row 15 not to equal the total of row 35. Moneys flowing to an internal service fund would have been expenditures in the correct function rather than operating transfers out, and money returning from an internal services fund would have been a refund of a prior year's expenditure rather than operating transfers in. Custodial funds are not used to account for AEA-owned assets, so no transfers in or out from other funds would occur.

**Row 37, Total Expenditures & Other Financing Uses.** This is the sum of rows 34 through 36.

**Row 38, Ending Fund Balance.** This is calculated as follows: ((Beginning Fund Balance, row 19 + Total Revenues & Other Financing Sources, row 18) - Total Expenditures & Other Financing Uses, row 37). Normally, the ending fund balance in the Juvenile Home Fund will be zero. Any assets remaining in the Juvenile Home Fund would have an equal amount of liabilities (payables).

**Row 39, Total Requirements.** This is the sum of Total Expenditures and Other Financing Uses, row 37, and Ending Fund Balance, row 38. Row 39 will equal row 20 for every column.

### **Screen 3: Selected Detail of General Fund Three-Year Comparison**

#### **General Fund Balances**

Provide detail of the General Fund nonspendable, restricted, committed, assigned and unassigned fund balances, segregating the portion for the special education operating unit.

**Column 1** will be the amount budgeted for 2024. Row 11 must equal the Budget Worksheet by Fund, row 38, column 1.

**Column 2** will be the re-estimated amount budgeted for 2023.

**Column 3** will be the actual amount from the 2022 CAR-COA. Use the numbers from the online reports created from the upload for this column, reporting them in the classifications. Row 11 must equal the AEA Crosswalk Report from the CAR, row 38, column 1.

Unexpended funds on hand from federal grants-in-aid would be reported in the liability account for deferred revenue and would not be included in any fund balances.

**Row 11** is the total of rows 1 through 10.

#### **General Fund Expenditures and Other Financing Uses**

Provide detail of the General Fund expenditures and other financing uses, segregating the portion for special education expenditures.

**Column 1** will be the amount budgeted for 2024. Row 14 must equal the Budget Worksheets, row 37, column 1.

**Column 2** will be the re-estimated amount budgeted for 2023.

**Column 3** will be the actual amount from the 2022 CAR-COA. Use the numbers from the online reports created from the upload for this column. Row 14 must equal the AEA Crosswalk Report from the CAR, row 37, column 1.

**Row 14** is the total of rows 12 and 13.

### **Screen 4, AEA Three-Year Comparison (Published Budget) Form Resources (Sources) and Requirements (Functions)**

**Column 1, Budget 2024.** Entries on rows 1-36 of the 3-year comparison form will be pre-populated from column 9 of the budget worksheets.

**Column 2, Re-estimated 2023.** The due date for the budget for fiscal year 2024 is February 10, 2023. Because this date is in the middle of fiscal year 2023, the amounts in this column are re-estimated resources and requirements for fiscal year 2023. This column also constitutes your amended budget for the current fiscal year. If numbers change significantly, include an explanation for the changes.

**Column 3, Actual 2022.** Amounts in this column will equal the actual resources and requirements for fiscal year 2022 reported on the CAR. Amounts in this column will be pre-populated from the AEA Crosswalk Report in the 2022 CAR-COA.

**Rows 1 through 37.** See detail on Budget Worksheets and the [UFA Manual](#) for explanation.

The beginning fund balance for column 2, row 19, should equal the ending fund balance from column 3, row 38.

The beginning fund balance for column 1, row 19, should equal the ending fund balance from column 2, row 38.

Iowa Code section 273.3(12) requires that the AEA prepare an annual budget estimating income and expenditures for programs and services. The board must give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county in the territory of the AEA in which the principal place of business of a school district that is a part of the AEA is located. The notice specifies the date, which must be no later than March 1 of each year, the time, and the location of the hearing. A form has been included for this purpose. The budget may be filed with the Department prior to the public hearing.

### **Additional Manual Edit Checks for Screen 1. Juvenile Home Instructional Program Requirements**

#### **Worksheet 1, Maximum Allowable Classroom Costs**

**Maximum classroom costs** are limited to the number of continuing classrooms and new classrooms times the applicable cost factor for each. The total of expenditures in columns 3 through 6, on row 1 must not exceed the maximum classroom costs.

The Department annually determines the maximum authorized amount an AEA may expend on Juvenile Home educational program instruction objects other than salary and benefits. Those objects include purchased services, supplies, equipment, and "misc. objects". The maximum authorized amount is established at ten percent of the state average actually expended on instruction salaries and employee benefits in the year prior to the base year. Expenditures used for this calculation are after corrections and adjustments made by the Department. The dollar amount calculated pursuant to the above procedure is on a classroom basis. A new classroom is allowed during the first fiscal year of operation to expend up to twice the maximum authorized amount for a continuing classroom.

**Worksheet 1** is provided for your use in completing the preliminary maximum classroom costs allowed.

CLASSROOM COSTS	NUMBER	COST FACTOR	MAXIMUM
1. Continuing		\$13,738	
2. New		\$27,475	
3. Total Maximum Costs			
4. Total expenditures, columns 3-6, row 1 of Screen 1.			
5. Total expenditures in row 4 funded by categorical sources			
6. Final Total Expenditures (row 4 minus row 5)			

Reduce the instructional expenditures in columns 3 through 6 of Screen 1 until the total is less than or equal to the total maximum costs allowed in the worksheet, row 6. These are preliminary maximum classroom costs to be used for budgeting and are based on the most recently processed claims. The maximum classroom costs will be revised for the claims (but not budget) after the CAR Upload review process is completed.

## **Worksheet 2, Maximum Allowable Administrative and Operation & Maintenance Costs**

**Row 7: Function 2600, Operation and Maintenance of Plant Services.** Iowa Administrative Code, in 281 IAC 63.18(4), details unauthorized expenditures as follows: *“Expenditures shall not include expenditures for debt services, for facilities acquisition and construction services, including remodeling and facility repair, or for rental expenditures for classroom facilities when adequate space is available at the Juvenile Home or AEA”*. Expenditures may include rent only when adequate space is not available at the Juvenile Home or in the AEA or when the Department has approved a waiver request for rent prior to the AEA incurring rent expenditures. Building rent is object code 441, room rent is object code 444. “Rent” does not include any expenditure more appropriate to any object code other than 441 or 444. No other operation and maintenance expenditures may be charged to the Juvenile Home program except equipment repair. Rental of facilities not considered to be classrooms or directly related to classroom instruction would not be appropriate. Since detention centers are responsible for children in their facilities 24 hours per day and therefore need to provide classroom space at the center, rent for these is not appropriate.

Total costs for administrative services and for operation and maintenance of plant services are limited to actual costs or 20% of the total Juvenile Home expenditures, whichever is less.

**Worksheet 2** is provided to assist you in determining the maximum administrative and operation and maintenance costs that may be charged to the Juvenile Home program.

ITEM	AMOUNT
Total expenditures (row 11, column 8 of Screen 1)	
Minus Revenues from categorical funding (Sources 2000-3119, 3123-4999)	
Equals total expenditures base	
Times 20 percent	20%
Equals maximum administrative and operation and maintenance costs allowed	
Total administrative and operation and maintenance expenditures in columns 1-5, rows 4-7 of Screen 1	



Reduce expenditures in columns 1 through 5, rows 4 through 7, on Screen 1, until they are less than or equal to the maximum administrative and operation and maintenance costs allowed.

### **Worksheet 3, Maximum Allowable Administrative Costs**

**Worksheet 3** is provided to assist you in determining the maximum administrative costs that may be charged to the Juvenile Home program.

ITEM	AMOUNT
Total expenditures (row 11, column 8 of Screen 1)	
Minus Revenues from categorical funding (Sources 2000-3119, 3123-4999)	
Equals total expenditures base	
Times 10 percent	10%
Equals maximum administrative costs allowed	
Total administrative expenditures in columns 1-5 on rows 4, 5 and 6 of Screen 1	

Total costs for administration on Screen 1, rows 4, 5, and 6 are limited to actual costs of administrative services provided exclusively to the Juvenile Home instructional program or 10% of the total Juvenile Home expenditures, whichever is less. All administrative costs on rows 4, 5, and 6 are to be charged as direct expenditures on the Juvenile Home Instructional Program Requirements Worksheet, columns 1 through 5.

Reduce expenditures in columns 1 through 5, rows 4 through 6, on Screen 1, until they are less than or equal to the maximum administrative costs allowed.