



School Business Alert

July 2020

INSIDE THIS ISSUE

- ❖ [Financial](#)
 - [FY20 Year End](#)
 - [Nonpublic Transportation Reimbursement – Accounting](#)
 - [Tax Receipts](#)
 - [GASB Updates](#)
 - [Local Auditor Access to Prior Year Local Education Agency Financial Information](#)
 - [Indirect Cost Rate Plan and Required Coding Changes for FY21](#)
- ❖ [Applications](#)
 - [Tuition-In Billing: Timeline Update](#)
 - [AEA Juvenile Home Claims](#)
- [Regular Education Foster Care Claim](#)
- [District Contact Information](#)
- ❖ [Medicaid](#)
 - [2019-2020 Medicaid Revenue](#)
- ❖ [School Transportation](#)
 - [Fall Inspection Schedules](#)
 - [Bus Driver Physicals](#)
- ❖ [General Information](#)
 - [Department of Education Preschool Staffing](#)
 - [School Finance Resources](#)
- ❖ [Did You Know?](#)
- ❖ [Upcoming Deadlines](#)

FINANCIAL

FY20 Year End

The fiscal year end closeout period is here again. Please submit requests for payments as soon as possible. As in prior years, the Department is required to pay FY20 expenses by the end of August. We need your help to accomplish this. Please review all FY20 grants and contracts, complete any final reports, and prepare requests for payment as soon as possible. We will be issuing final payments for Title I, Title II, Title VI, nonpublic transportation, Perkins, and Regional Planning Partnership (RPP) within the month, with your help and cooperation.

Please remember that billing for Special Education between districts is to occur by July 15, 2020.

If you have further questions, please contact [Angela James](#), 515-281-3646.

Nonpublic Transportation Reimbursement - Accounting

Reimbursement requests must be collected twice per year by districts (Iowa Code 285.3). The accounting for the various scenarios that a district could encounter has been added to the [UFA Journal Entries](#) document. Keep in mind all revenues will equal all expenditures for this number.

If you have further questions, please contact [Denise Ragias](#), 515-281-4741 or [Janice Evans](#), 515-281-4740.

Tax Receipts

July Sales Tax

The July payment districts will receive for Secure an Advanced Vision for Education (SAVE) Statewide Sales and Services Tax (source/project 3316) is related to June taxes collected. Accordingly, districts should record this receipt as an intergovernmental receivable (Fund 33, account 141) and include this in SAVE revenue reported in the FY20 Certified Annual Report (CAR).

August Property Tax

August property tax receipts are not all related to the prior year. Districts need to evaluate what should be accrued as taxes receivable and as FY20 revenues, and what should be FY21 revenues. Delinquent property taxes received in August are accrued to FY20. Current mobile home (unless noted as delinquent) and ag land taxes received in August are FY21 revenues. Since there was a suspension of penalties and interest for delayed property tax payments until July 25, 2020, there may be more current property taxes received in August than usual.

If you have further questions, please contact [Janice Evans](#), 515-281-4740.

GASB Updates

Financial Reporting for Pensions (GASB 68)

Many districts and auditors will soon be working through the GASB 68 entries relating to IPERS. Districts will only include entries in Fund 09 (Governmental Long-term Liabilities/Debt Summary Accounts) and Proprietary Funds (6X, 7X) on the FY20 Certified Annual Report (CAR). Since pension expenses may be positive or negative after GASB 68 entries have been made in the enterprise funds, districts will continue to use object 233, "GASB 68 Pension Expense" for GASB 68 entries related to pension expense. Negative amounts are allowed in this object.

Fund 09 will report the governmental funds share of the net pension liability and debit account 304, "Amount to be provided for retirement of governmental long-term debt" and credit account 593, "Net Pension Liability." The FY20 CAR includes an edit in Fund 09 and a warning in Proprietary Funds related to GASB 68 Net Pension Liability reporting.

Refer to the [State Auditor's Office](#) website for information regarding GASB 68.

Financial Reporting for Other Post-Employment Benefits (OPEB) (GASB 75)

Many districts and auditors will continue to work through GASB 75 entries relating to OPEB, based on valuations received from the actuary. Districts will only include entries in Fund 09 and Proprietary Funds on the FY20 CAR. A separate object code for the health benefit expense adjustment has not been assigned at this point since we do not know if this adjustment will result in a negative expense after GASB 75 entries have been made in the Enterprise Funds. If districts find this is negative, let [Janice Evans](#) know and a separate object code will be assigned. The various deferred inflows of resources (account 64X) and deferred outflows of resources (account 33X) numbers that may be needed have been assigned. See the [Iowa Chart of Account Coding](#) document for the specific account numbers.

Fund 09 will report the governmental funds share of the Total OPEB liability and debit account 304, "Amount to be provided for retirement of governmental long-term debt" and credit account 59X, "Total OPEB Liability." Districts can continue to use the 59X account they were already using for the net OPEB liability.

If you have further questions, please contact [Janice Evans](#), 515-281-4740.

Local Auditor Access to Prior Year Local Education Agency Financial Information

To view information on a local school district's prior year revenue from the state, local auditors can go to [Edinfo](#) and select the Auditor button in the bottom left-hand corner, enter FY20 in the "Login ID" and click "Submit." You will see the "Payments to Department of Education Subrecipients" screen. Enter the district's headquarter number or district name and click the "go" button.

There is also a “Department Warrants” application within the [Iowa Education Portal](#). This application has been expanded to include the grant identifying number and the Catalog of Federal Domestic Assistance (CFDA) number. Work with the local school district’s portal security officer for access to this application.

Indirect Cost Rate Plan and Required Coding Changes for FY21

The U.S. Department of Education (ED) recently approved the Iowa Department of Education’s Indirect Cost Rate proposal for computing Iowa LEA and AEA restricted and unrestricted indirect cost rates. The approved plan is effective from July 1, 2020 through June 30, 2025.

The change approved with the largest impact, as requested by districts, is to treat equipment repair and maintenance, function 2640, as a direct cost rather than an indirect cost. Effective with FY21 reporting, nutrition equipment repair will be accounted for in the School Nutrition Fund rather than the General Fund. **Further, function 2600 will become a header record only and detail will be required, effective with FY21 reporting.** The plan also establishes a maximum restricted rate indirect cost rate of seven percent and a maximum unrestricted indirect cost rate of 17 percent, even if the rate calculated is higher.

Questions regarding indirect cost rates can be directed to [Janice Evans](#), 515-281-4740.

APPLICATIONS

Tuition-In Billing: Timeline

Throughout the school year, districts enter students into the Tuition-In Billing (TIB) program and submit bills to other districts. Students who are entered by other districts into the TIB as being a resident of your district, where they will be seeking payment for these services, will appear on your district’s Special Education Supplement (SES) Home Page. Between June 15 and June 30, districts were asked to verify the accuracy of the Tuition-Out portion of the Home Page. If errors were noted, you were to contact the other district and work out any issue, with the overall goal being to ensure the correct district was billed and no students were overlooked and omitted. All students should now be entered and any necessary corrections and adjustments completed. If you have any remaining students who are not entered into the TIB, please do so immediately.

As you finalize your work in the TIB, have entered all students, verified accuracy of all student information, uploaded your final comma delimited text file, and reviewed Screen 9 ensuring that this information is accurate, click the “certify” button on Screen 9. Then, print or email the final bills.

The Department will begin processing Foster Care claims, Termination of Rights claims (also called District Court Placed), Nonpublic claims, and High Cost claims after August 3. It is critical that all claims be accurately entered prior to this date.

AEA Juvenile Home Claims

The new Juvenile Home application is open to AEAs for completion of the claims and certification by August 1. The application can be found on the [Iowa Education Portal](#). The instructions are posted on the web at [Budgets, Area Education Agencies](#). Please remember this claim is for regular education students only. Out-of-state students and students served pursuant to an Individualized Education Program (IEP) would be billed to their district of residence. Also, do not include the average daily membership (ADM) of students for whom the AEA is paid tuition.

If you have further questions, please contact [Denise Ragias](#), 515-281-4741.

Regular Education Foster Care Claim

The Regular Education Foster Care Claim will be available soon for districts to certify. All individuals with access to the Foster Care Claim application in the [Iowa Education Portal](#) will receive an email once the application is available. Claims are generated from the fall 2019 and spring 2020 Student Reporting in Iowa (SRI) submissions. Modifications have been completed for any foster care student’s days enrolled when the student remained enrolled beyond March 13.

The modifications allow for the inclusion of days when districts provided voluntary continuous learning opportunities for students. Through the use of the foster care data provided by the Department of Human Services to the Department of Education, students whose services through DHS ended during the spring will be credited with days enrolled only through the placement end date. Additional attempts were made to remove students from the regular education foster care claim application who continued to be served pursuant to an IEP and students not identified as being in foster care by DHS.

This year's application includes:

- Regular education students who were in foster care (under the responsibility and care of the Department of Human Services) and living in your district only because of the foster care placement.
- Resident students who were in a psychiatric medical institute for children (PMIC) placement and NOT included in your district's fall 2019 certified enrollment count, regardless of who placed the student in the facility.

The only tasks required from a district are to verify the students and certify. **Certification is required only if your district is eligible to receive a reimbursement.** Reimbursements are based on the excess days your district served regular education students in foster care above days funded on regular education foster care students in the fall 2019 certified enrollment count. Calculations are based on the number of days of school during the 2019-2020 school year, as reported in 2019 Spring BEDS or the district's official 2019-2020 academic calendar.

You will receive an email from Carla Schimelfenig once the application is available. The due date for certifying Regular Education Foster Care Claim is Monday, August 3.

If you have further questions, please contact [Carla Schimelfenig](#), 515-242-5612.

District Contact Information

The Department sends financial communications to the CFO/Business Manager(s) and Additional Financial Officer contacts from information provided in the School Board Officers application. If your district has a change in personnel, be sure to update the information through the [Iowa Education Portal](#).

The Department of Education's source information that identifies superintendents for school districts is the School Information Update application. If your district has a new superintendent and the School Information Update application in the portal has not been updated to reflect the change, your superintendent will not receive timely notifications.

Please provide updates as needed anytime throughout the year.

If you have further questions, please contact [Carolyn Engelhardt](#), 515-281-5293.

MEDICAID

2019-2020 Medicaid Revenue

During FY20, Iowa's local education agencies (LEAs) were paid \$80,790,651 and retained, following payback of the state share, \$52,349,852, down 22.1 percent from FY19. Iowa's area education agencies (AEAs) were paid \$574,455, retaining \$379,322, up 49.3 percent for Individuals with Disabilities Education Act (IDEA) Part B services. Iowa's Infant Toddler IDEA Part C providers were paid \$418,781, retaining \$271,774, up 13.4 percent. In total, Iowa's IDEA Medicaid programs retained \$52,997,160, down 15.3 percent from FY19. Please note that schools were closed for approximately 24% of the year during which LEA Medicaid health services were not provided.

If you have further questions, please contact [Jim Donoghue](#), 515-281-8505.

SCHOOL TRANSPORTATION

Fall Inspection Schedules

The fall 2020 school bus inspection schedules have been posted to the Department's [website](#). **Please help ensure that the inspection date for your district is communicated to the transportation staff and added to the district calendar.**

If you have further questions, please contact the inspector for your region: [Joe Funk \(east\)](#), 515-669-4987; [Tom Simpson \(west\)](#), 515-326-1022; and [Verlan Vos \(central\)](#) 515-669-4994.

Also, as a reminder, effective July 1, 2020 the per vehicle inspection fee increased from \$40 to \$50.

Bus Driver Physicals

Department of Transportation (DOT) physicals for school bus drivers must be performed by a certified medical examiner. The federal government has made this a requirement for anyone obtaining a DOT physical. The [National Registry of Certified Medical Examiners](#) website includes a search engine showing the location of all certified medical examiners within the state of Iowa and across the nation. It offers a number of options to search for medical examiners in your area. Also, remember that all school bus driver authorizations must be updated and renewed by August 15. Once updated data on the driver's physical is entered in the Driver Authorization application accessed through the [Iowa Education Portal](#), be sure to print off the new authorizations for your drivers to carry with them.

If you have further questions, please contact [Max Christensen](#), 515-281-4749.

GENERAL INFORMATION

Department of Education Preschool Staffing

Iowa Code 256C.5(4) provides funding to the Department from preschool foundation aid to pay for state administration and oversight of the preschool program. This funding is critical for the ongoing implementation and monitoring of the program.

This is an on-behalf payment. The district will record the amount as preschool revenue with an equal amount recorded as a preschool expenditure. The amount is \$33.17 per preschool budget enrollment. The deduction for the on-behalf payment will be spread throughout the ten state aid payments, September through June. This is a reduction to cash flow (state aid) sent directly to the district but does not result in general fund spending authority in excess of state aid received, because it is recorded by the district as both an on-behalf revenue and expenditure. The on-behalf revenue will be recorded in source and project 3117, program 460, and the expenditure in an equal amount will be recorded in function 233X, program 460, project 3117, object 31X. See [FY20 Preschool Funding](#) for preschool amounts per district.

The [FY21 Preschool Funding](#) document for preschool amounts has been posted to the [State Payment Information for FY21](#) page of the Department's website. The amount remains at the \$33.17 per preschool budget enrollment.

If you have further questions, please contact [Tom Cooley](#), 515-725-1120.

School Finance Resources

Superintendents and business managers who are new to the state or new to the position may find the following resources located on the [Iowa Department of Education's website](#) beneficial:

- The Department [Calendar](#) can be filtered to show all events or categories such as deadlines, Department-sponsored meetings and technical assistance, and School Budget Review Committee (SBRC) deadlines and meetings.

- [School Business and Finance](#) has links to areas such as accounting and reporting, levies and funds, and financial management.
- [Special Education Finance](#) provides links to topics such as the Tuition-In Billing application directions, appropriate uses of special education funding, school-based Medicaid, and sample contracts for special education services.
- [School Facilities](#) provides information on construction, school safety, disaster recovery, and facilities planning.
- [School Budget Review Committee](#) (SBRC) provides an explanation of the purpose and authority granted through Iowa Code for the committee, information related to future and past hearings, as well as information pertaining to SBRC applications and exhibit guidance.
- [School Transportation](#) provides links to bus inspection schedules, driver trainings and conferences, open enrollment transportation assistance, nonpublic reimbursement claim, and instructions to and results from prior year's Annual Transportation Report.
- [School Finance Resources](#) provides links to the Department of Management (Aid and Levy worksheet), the Uniform Financial Accounting manual, Uniform Administrative Procedures manual, and Iowa Legislature (Iowa Code and Administrative Code lookups).
- [School Finance Tools](#) is a reference page for such topics as budgeting and projections, district-to-district comparisons, possible corrective action for districts incurring a negative unspent balance, and suggested monthly reports to district administration and school boards.

For more information on a specific topic listed above, inquiries can be directed to the consultant listed on each webpage.

If you have further questions on available resources, please contact [Carla Schimelfenig](#), 515-242-5612.

DID YOU KNOW?

It is important to maintain at least two portal security officers in each district, since a portal security officer cannot give access to himself or herself. To inquire about upcoming fall portal security officer training sessions, email ed.portal@iowa.gov.

District cost per pupil amounts ([maximum tuition rates](#)) for the new school year are posted on the [Tuition and Fees](#) page of the Department's website.

Upcoming Deadlines

| Due Date | What's Due |
|----------|---|
| July 15 | Last Day to Bill for Second Semester Special Education Tuition |
| July 15 | Last Day to Bill for Second Semester Tuition |
| August 3 | Foster Care Claim Certification Deadline (Certification Required for Acceptance of Funds) |
| August 3 | Progress Report Toward Reorganization Due to Department/SBRC |
| August 3 | Special Education Claims Due—Foster Care Claim, District Court Placed, Nonpublic, High Cost |
| August 3 | Juvenile Home Program Claim Due (AEAs only) |

[Current and past issues of the School Leader Update.](#)

[Current and past issues of the School Business Alert.](#)

If you have suggestions for future SBA articles, please submit to [Carolyn Engelhardt](#)

IOWA DEPARTMENT OF EDUCATION

www.educateiowa.gov

Grimes State Office Building
400 E. 14th St
Des Moines, IA 50319-0146
FAX: 515-242-5988

Bureau of School Business Operations

| | | | |
|--------------------|--------------------------------------|--|--------------|
| Tom Cooley | Chief | tom.cooley@iowa.gov | 515-725-1120 |
| Kassandra Cline | Consultant | kassandra.cline@iowa.gov | 515-281-4738 |
| Jim Donoghue | Consultant | jim.donoghue@iowa.gov | 515-281-8505 |
| Janice Evans | Consultant | janice.evans@iowa.gov | 515-281-4740 |
| Rob Olsen | Consultant | rob.olsen@iowa.gov | 515-281-4743 |
| Denise Ragias | Consultant | denise.ragias@iowa.gov | 515-281-4741 |
| Bill Roederer | Consultant | bill.roederer@iowa.gov | 515-281-7972 |
| Carla Schimelfenig | Consultant | carla.schimelfenig@iowa.gov | 515-242-5612 |
| Max Christensen | Executive Officer 1 (Transportation) | max.christensen@iowa.gov | 515-281-4749 |
| Mary Jo Clark | Clerk | maryjo.clark@iowa.gov | 515-281-5812 |
| Joseph Funk | Bus Inspector (East) | joseph.funk@iowa.gov | 515-669-4987 |
| Tom Simpson | Bus Inspector (West) | tom.simpson@iowa.gov | 515-326-1022 |
| Verlan Vos | Bus Inspector (Central) | verlan.vos@iowa.gov | 515-669-4994 |

It is the policy of the Iowa Department of Education not to discriminate on the basis of race, creed, color, sexual orientation, gender identity, national origin, sex, disability, religion, age, political party affiliation, or actual or potential parental, family or marital status in its programs, activities, or employment practices as required by the Iowa Code sections 216.9 and 256.10(2), Titles VI and VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d and 2000e), the Equal Pay Act of 1973 (29 U.S.C. § 206, et seq.), Title IX (Educational Amendments, 20 U.S.C. §§ 1681 – 1688), Section 504 (Rehabilitation Act of 1973, 29 U.S.C. § 794), and the Americans with Disabilities Act (42 U.S.C. § 12101, et seq.). If you have questions or complaints related to compliance with this policy by the Iowa Department of Education, please contact the legal counsel for the Iowa Department of Education, Grimes State Office Building, 400 E. 14th Street, Des Moines, IA 50319-0146, telephone number: 515-281-5295, or the Director of the Office for Civil Rights, U.S. Department of Education, Citigroup Center, 500 W. Madison Street, Suite 1475, Chicago, IL 60661-4544, telephone number: 312-730-1560, FAX number: 312-730-1576, TDD number: 877-521-2172, email: OCR.Chicago@ed.gov