

November/December 2007



SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Finance Division

Linda McCulloch, State Superintendent
Montana Office of Public Instruction
PO Box 202501
Helena, MT 59620-2501

Phone (406) 444-3024
FAX (406) 444-0509
<http://www.opi.mt.gov>



This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this newsletter to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

Impact Aid Application Workshop

Representatives from the Department of Education Impact Aid Program will conduct a free workshop on how to complete the FY2008-09 Impact Aid application. The meeting will be held at the Scott Hart building, in the Auditorium, 303 North Roberts in Helena on Thursday, December 13 from 9:30 a.m. to noon. This is a free workshop for school districts that apply for federal impact aid funds each year. District superintendents, clerks, county superintendents and other staff involved with the impact aid application are encouraged to attend this important workshop. Hope to see you there!

OPI Contact: Donell Rosenthal (406) 444-3024 or drosenthal@mt.gov

Preliminary Maintenance of Effort and Special Education Reversion Reports

In November, OPI notified school districts and special education cooperatives regarding maintenance of effort (MOE) for ESEA Title programs, IDEA Part B and Preschool special education grants, and the state special education allowable cost funding reversion. All districts and special education cooperative clerks, district superintendents, special education directors, and county superintendents should review the information carefully. This process requires your immediate attention to correct any reporting errors on the FY2006-07 Trustees' Financial Summary (TFS) that might have caused MOE or reversion problems.

Please submit corrections to Rebecca Phillips by December 10 to ensure the corrections are processed by the December 20 deadline. TFS corrections may be faxed to Rebecca at (406) 444-0509.

OPI contact: Rebecca Phillips (406) 444-0783 or rphillips2@mt.gov

Full-Time Kindergarten Start-up Costs Reminder

Districts that intend to offer a full time kindergarten program before July 1, 2012 and that have not already applied for additional funding for FTK with the PAA-3 form should complete and submit the Intent to Offer a Full-Time Kindergarten Program form. The form is available on the OPI website at:
<http://www.opi.mt.gov/PUB/pdf/SchoolFinance/forms/07IntendFTK.pdf>

Completed forms should be sent to Kathleen Wanner by fax to (406) 444-0509 or by mail to P.O. Box 202501, Helena, MT 59620-2501.

Upon receipt of the intent form, OPI will issue payment of the OTO Start-up costs on the next scheduled payment. Since payments for start up funds are based on kindergarten students reported on the October 2006 enrollment count, some districts will not be eligible for these funds. A report detailing these payments can be found on the OPI website at:

<http://www.opi.mt.gov/PUB/pdf/SchoolFinance/budget/FY08OTOPFTK.pdf>

OPI contact: Kathleen Wanner (406) 444-9852 or kwanner@mt.gov

**Deadline for
Changes to
FY2007
Trustees
Financial
Summary**

OPI encourages school districts and cooperatives to submit material changes to the FY2006-07 Trustees Financial Summary (TFS) no later than December 10, 2007. A.R.M. 10.10.504(6) limits revisions to: a) coding revisions between revenue and expenditure line items providing no change occurs in the fund balance of the budgeted funds; and b) revisions in the balance sheet accounts provided no change occurs in the fund balance of the budgeted funds.

Submit revisions of the FY2006-07 TFS to the School Finance Division by following these procedures:

1. Photocopy the original TFS with amounts to be revised crossed out and the correct amount written above it.
2. When sending balance sheet account revisions, please also send any expenditure and revenue line item changes that correlate with such changes. That is, the fund balance on the balance sheet should equal the ending fund balance shown on the statement of revenues, expenditures and changes in fund balance report after the revisions are made.

TFS revisions may be faxed to (406) 444-0509 or mailed to Rebecca Phillips, P.O. Box 202501, Helena, MT 59620-2501. Please submit revisions by December 10 so that questions or problems related to processing the changes can be addressed before school districts are closed for the holiday break. In compliance with A.R.M. 10.10.504(5), OPI cannot consider revisions to the FY2006-07 TFS received after December 20, 2007 when calculating amounts used for special education reversion or for federal maintenance of effort requirements.

Note that immaterial line item coding changes or changes that affect fund balance in the budgeted funds for FY2006-07 must be reported as prior period adjustments in the TFS for the current year (FY2008-09). The district may need to adopt a budget amendment in the current year to record the prior period adjustment within the budget of a fund.

OPI contact: Rebecca Phillips (406) 444-0783 or rphillips2@mt.gov

Pre-filled bus inspection forms (TR-13) for the second semester may be printed from the transportation system. Buses must pass inspection for the second semester by January 31, 2008, in order to be eligible for full funding for the

Inspections

second semester. Please schedule inspections early to allow time for re-inspection by January 31, if necessary.

OPI contact: Maxine Mougeot (406) 444-3096 or mmougeot@mt.gov

2008 School Election Calendar

The 2008 School Election Calendar is posted on the OPI website at <http://www.opi.mt.gov/PUB/PDF/SchoolFinance/forms/08ElectionCalendar.pdf>

OPI contact: Denise Ulberg (406) 444-1960 or dulberg@mt.gov

Obtaining Payments for State-Paid Tuition

As a result of HB83 (passed in the 2005 legislative session), OPI is responsible for payment of tuition for students placed in a district outside the student's district of residence by a state agency or court, including tribal court.

During the 2006-07 school year, student attendance agreements (FP-14/FP-14A) for these placements were received, reviewed and approved by OPI and input in the Tuition module on MAEFAIRS. Districts may now log on to MAEFAIRS through Citrix on OPI's website to access a list of approved FP-14/FP-14A forms and enter the days enrolled for each agreement. When the days enrolled has been entered for all agreements on the list, the district should "submit" the information and MAEFAIRS will automatically generate a payment. Districts have until June 30, 2008 to complete this process.

Complete information and instructions are available at:

<http://www.opi.mt.gov/PDF/SchoolFinance/Tuition/STPdTuitionInstruc.pdf>

OPI contact: Denise Ulberg (406) 444-1960 or dulberg@mt.gov

Central Grant Files Required

OPI policy requires that each district must maintain a central grant file in the business office for audit purposes. For each grant project, the file must contain the grant application; grant award document; approved grant budget; cash request form(s); record of cash receipts; record of matching expenditures, if required; budget modification forms, if any are filed; any significant correspondence; final reporting and closeout documents. The grant's authorized representative, who is normally the district superintendent, should file copies of all grant documents with the clerk of the district to ensure compliance.

OPI's standard form, the "Federal/State Grant Control Record," can be used as a cover page for each grant file. For a copy, see the OPI State and Federal Grants Handbook, Appendix B-1, number 5.

The page is on the OPI website at:

<http://www.opi.mt.gov/PDF/FEDPrgms/gh/appendices/appendixb/B3FederalStateGrant.pdf>

OPI contact: Rebecca Phillips (406) 444-0783 or rphillips2@mt.gov

**Reporting
Requirements
for School
Funding
Legislation**

The Office of Public Instruction has developed guidance for reporting and tracking revenues and expenditures related to the additional funding provided in Senate Bill 2 and House Bill 2 approved by the legislature in the 2007 special session, including full-time kindergarten, Indian Education for All and Capital Investment and Deferred Maintenance payments.

The document is located at:

<http://www.opi.mt.gov/PUB/pdf/SchoolFinance/Acct/07LegFundingGuidance.pdf>

OPI contact: Rebecca Phillips (406) 444-0783 or rphillips2@mt.gov

**New Threshold
for FY2007-08
Audits**

House Bill 487 increased the threshold for local governments, including school districts, to be audited. Districts with more than \$500,000 total revenue in all funds combined must have a "regular" audit. The bill also ties the threshold for an audit to the level set by the federal Office of Management and Budget (OMB) for A-133 audits. An A-133 audit is required if a district spent more than \$500,000 of Federal Assistance, including USDA commodities, for the fiscal year. School districts that do not meet the \$500,000 total revenues threshold must have an audit review every four years as directed by the OPI.

OPI contact: Rebecca Phillips at (406) 444-0783 or rphillips2@mt.gov

**2008 Personal
Car
Reimbursement
Rate**

Effective January 1, 2008, reimbursement rates for personal car mileage driven in connection with State business is increased to 50.5 cents per mile. In order to claim reimbursement at 50.5 cents, the State employee must qualify according to Section 1-0310.30 of the Employee Travel Policy in the Montana Operations Manual. An eligible employee that drives in excess of 1,000 miles in a month will be reimbursed at 47.5 cents per mile for the remainder of that month.

These increases are authorized by MCA Section 2-18-503 and are made in conjunction with the official increase by the Internal Revenue Service (IRS). The IRS announcement is available at the following link: <http://www.irs.gov/newsroom/article/0,,id=176030,00.html>

If you have questions or need additional information, please call Denise Ulberg at (406) 444-1960 or email dulberg@mt.gov.

**2007 School
Law Books**

The 2007 School Law books are here! If you have not ordered your books, you can access the order form at

<http://www.opi.mt.gov/pdf/legaldivision/schoollaworderform.pdf>

If you sent your order and your books have not arrived, please call Nancy Toole at 444-3148 to check on your order.

Useful Links

State Entitlement Payments to Schools:

<http://www.opi.mt.gov/PUB/School%20Finance/Payments/>

Preliminary Budget Data Sheets:

<http://opi.mt.gov/Pub/School%20Finance/PreliminaryBudgetDataSheets/>

School Accounting: <http://www.opi.mt.gov/SchoolFinance/Acct2.html>

Forms and Publications: <http://www.opi.mt.gov/SchoolFinance/Forms2.html>

Pupil Transportation: <http://www.opi.mt.gov/PupilTransport/index.html>

Enrollment and ANB:

<http://www.opi.mt.gov/SchoolFinance/Enrollment2.html>

Tuition: <http://www.opi.mt.gov/SchoolFinance/Tuition2.html>

**School Finance
Division Staff**

Nica Carte ncarte@mt.gov
Bonnie Maze bmaze@mt.gov
Rebecca Phillips rphillips2@mt.gov
Paul Taylor ptaylor2@mt.gov

Kathleen Wanner kwanner@mt.gov
Denise Ulberg dulberg@mt.gov
Donell Rosenthal drosenthal@mt.gov
Maxine Mougeot mmougeot@mt.gov



Seasons Greetings