Year-End Closing Manual

USER GUIDE TO COMPLETE UNAUDITED ACTUALS

Fresno County Superintendent of Schools
District Financial Services
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INTRODUCTION

The purpose of the Year-End Closing Manual is to assist Fresno County LEAs with their year-end closing process.

This manual is designed to address key fiscal year-end accounting procedures and to help ensure that each LEA's financial statements are accurate and prepared for the annual audit. While it may not cover every aspect of each LEA's specific closing process, it aims to provide helpful information, tools, and links covering the core concepts necessary for producing reliable year-end financial documents.

The manual is organized by topic and divided into sections. It includes timelines, checklists, sample journal entries, and additional resources to help clarify and demonstrate various accounting principles.

We wish to acknowledge and thank the *California Department of Education, School Services of California*, and *FCMAT* for the resources and accessible data that supported the preparation of this manual.

For additional resources, please visit District Financial Services.

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YEAR-END CLOSING CHECKLIST

☐ Establish a district year-end closing calendar that includes appropriate timelines and deadlines.

☐ Run a Budget Report Worksheet to verify that the beginning fund balances agree with the prior year's ending fund balances, by resource. Reverify before exporting into SACS.

☐ Verify that all prior-year Accounts Receivables (object 9200) are cleared. Only current-year activity should be reflected in the General Ledger Report.

☐ Verify that all prior year Accounts Payables (object 9500) are cleared. Only current-year activity should be reflected in the General Ledger Report.

☐ Verify all prior year Deferred Revenue (object 9650) is reversed.

☐ Reconcile Payroll Holding Accounts (objects 9511 through 9518 and 9550) for all funds.

☐ Clear Suspense Clearing Account (object 9910) for all funds.

☐ Reconcile any cross-over fiscal year canceled warrants posted in All Other Local Revenue (object 8699) for all funds.

☐ Run a Budget Report by resource to verify that the current year’s allocations are properly stated.

☐ Reconcile the Due to (object 9610) / Due From (object 9310) accounts and ensure repayments are made in the proper fiscal year, according to Ed Code 42603.

☐ Close out all obsolete resources.

☐ Run a General Ledger Report for all funds by resource to check for accuracy and allow for proper balancing.

☐ Generate and process the journal entry for resource 7690, GASB 68, CalSTRS on Behalf.

☐ Prepare and post Fair Market Value journal entries.

☐ Enter all deposits and transfers by the DFS cut-off date. See June's email.

☐ Process the final fiscal year’s APY run by the DFS cut-off date. See June’s email.

☐ Meet all state and federal reporting deadlines.

☐ Verify mandated cost block grant revenues.

☐ Accrue 4th Quarter Interest (1st and 2nd Appt amounts) for all funds.

☐ Accrue 3rd and 4th Quarter Lottery

☐ Set up accounts receivable for all outstanding invoices.

☐ Accrue any payrolls paid in July or August for work performed prior to June 30 and accrue all benefits related to salary accruals.

☐ Run a Purchase Order Report and determine if the PO should be finalized, adjusted, and/or rolled into a current liability.

☐ Reconcile and replenish petty cash, revolving cash, etc.

☐ Calculate state aid adjustment. Book a receivable or liability for the adjusted amount.

  ☐ Book receivable/liability for any current year deferral. Reverse in the new year.

☐ Journal salaries and benefits from unrestricted to Education Protection Account (EPA) resource 1400.

☐ Review the Interprogram and interfund transfers (objects 571X and 575X).

☐ Prepare Form CAT to help reconcile categorical resources.

  ☐ Charge indirect costs to categorical resources, if allowed.

  ☐ Journal contributions if needed.

  ☐ Book any receivables or liabilities.

  ☐ Journal deferred revenues and a reversal journal in the current year.

INVENTORY AND OTHER ASSETS

  ☐ Count all material inventories as close to June 30 as possible.

  ☐ Prepare and post adjusting entries to bring the books into agreement with the physical count.

  ☐ Prepare and post adjusting entries for prepaid expenditures.

OTHER FUNDS

1. Ensure that all cash reconciliations have been completed.
2. Review General Ledger reports to ensure positive cash.
3. Determine that any reports to the state are filed on time.

☐ Fund 08: Student Activity Special Revenue

- ☐ Verify prior year-end fund balances against current year-end fund balances.
- ☐ Enter revenues and expenditures for the current year.
- ☐ Verify that the current year fund balance in Everest and LEA's ASB books agree.

☐ Fund 09: Charter Schools Special Revenue Fund

- ☐ Post In-Lieu Property Taxes in object 8096 (Debit Fund 01 object 8096 to zero between funds).

☐ Fund 11: Adult Education Fund

☐ Fund 12: Child Development Fund

- ☐ Determine if all grants are accounted for and included on the Form CAT. Include parent fees.

☐ Fund 13: Cafeteria Special Revenue Fund

- ☐ Count all material inventories as close to June 30 as possible.
- ☐ Prepare and post adjusting entries to bring the books into agreement with the physical inventory count.
- ☐ Determine if donated commodities have been properly identified and if the accounting is accurately reflected in the accounting system.
- ☐ Prepare and post the accrual for the remaining federal and state reimbursements for the child nutrition programs based on monthly claim reports.

☐ Fund 14: Deferred Maintenance Fund

☐ Fund 15: Pupil Transportation Equipment Fund

☐ Fund 17: Special Reserve Fund for Other Than Capital Outlay Projects

☐ Fund 20: Special Reserve Fund for Postemployment Benefits

☐ Fund 21: Building Fund

- ☐ Review all leases, rental contracts, and sales agreements to determine if any accounts receivable should be set up.
- ☐ Analyze all construction projects to determine if liabilities should be recorded for work completed by June 30.

☐ Fund 25: Capital Facilities Fund

- ☐ If applicable, ensure that the 3% administrative fee has been posted.

- ☐ Per GASB 54, post developer fee entries and interest in resource 9051.

☐ Fund 35: County School Facilities Fund

☐ Fund 40: Special Reserve Fund for Capital Outlay Projects

☐ Fund 51: Bond Interest and Redemption Fund

- ☐ Receive reports from the County Treasury/Auditor for inclusion in the SACS Forms for submittal to the state.

☐ Fund 67: Self-Insurance Fund

- ☐ Ensure all transfers are completed before June 30.
- ☐ Ensure the Incurred But Not Reported (IBNR) liability has been adjusted, if necessary.

☐ Fund 71: Retiree Benefit Fund

- ☐ Ensure a formal “Trust Agreement” is established before using the fund.
- ☐ Ensure all transfers for retiree benefits are completed before June 30.

STANDARDIZED ACCOUNT CODE STRUCTURE

The standardized account code structure (SACS) has been developed to accomplish the following objectives:

- Establish a uniform, comprehensive, minimum chart of accounts statewide to improve financial data collection, reporting, transmission, accuracy, and comparability.
- Reduce the administrative burden on local educational agencies (LEAs) in preparing required financial reports.
- Meet federal compliance guidelines and increase opportunities for California to receive federal funding for education programs.
- Ensure that LEAs comply with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).
- Create a logical framework that can be used to determine where education funds come from and how they are used.
- Provide better information for use by administrators, parents, board members, legislators, and others interested in school finance.

The SACS contains the following seven numerically coded fields:

Fund	**Resource** (Project/Reporting)	**Project Year**	**Goal**	**Function** (Activity)	**Object**	**School** (Use Optional)
XX??	XXXX0	X	XXXX	XXXX	XXXX??	XXX

LEAs may include additional subfields in their chart of accounts and/or expand the number of digits in each field, but they must utilize the fields outlined above. Except for the school field, data for all fields is reported to the state.

Description of Each SACS Field

Fund (2 digits)

- Identifies the fund that is receiving the revenue, paying the expenditure, or otherwise being affected by the transaction. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, all related liabilities, and residual equities and balances or changes therein.
- Identifies specific activities or defines certain objectives of an LEA in accordance with special regulations, restrictions, or limitations.
- Examples include general fund, child development fund, and cafeteria special revenue fund.
- Applies to revenue, expenditure, and balance sheet accounts.

Resource (Projecting/Reporting) (4 digits)

- Tracks those activities that are funded with revenues that have special accounting or reporting requirements or that are legally restricted.
- Includes Resources 0000 for accounting activities funded with revenues that are unrestricted.
- Applies to revenue, expenditure, and balance sheet accounts.
- The CDE's Master List of Resources spreadsheet contains history of all resource codes.

Project Year (1 digit)

- Identifies the reporting year for a project that has more than one reporting year during the LEA's fiscal year.
- If a project's reporting year is the same throughout the LEA's fiscal year, the Project Year code is 0.
- When applicable for a project, it applies to revenue and expenditure accounts but is optional for balance sheet accounts.

Goal (4 digits)

- Accumulates costs by instructional goals and objectives of an LEA. Groups costs by population, setting, and/or educational mode.
- Identifies revenues for special education.
- Examples include regular education K–12, continuation schools, migrant education, and special education.
- Allows the charging of instructional costs and support costs directly to the benefiting goals.
- Provides the framework for accumulating the costs of different functions by goals.
- Classifies financial information by subject matter and/or mode of education.
- Includes Goal 0000 for costs that are not directly assignable to a goal and for non-special education revenue.
- Applies to expenditure accounts. It is required for special education revenue accounts but is optional for other revenue accounts.

Function (Activity) (4 digits)

- Identifies activities or services performed to support or accomplish one or more goals or objectives.
- Describes the activity for which a service or material is acquired.
- Examples include instruction, school administration, pupil transportation, and general administration.
- Applies to expenditure accounts but is optional for revenue accounts.

Objects (4 digits)

- Classifies revenues by source and type, e.g., Local Control Funding Formula (LCFF) sources, federal revenue, other state revenue, fees, and contracts.

- Classifies expenditures by type of commodity or service, e.g., certificated salaries, classified salaries, employee benefits, books, and supplies.
- Classifies balance sheet accounts such as assets, liabilities, or fund balance.
- Applies to revenue, expenditure, and balance sheet accounts.

School (3 digits)

- Designates a specific physical school structure or group of structures that form a campus under a principal's responsibility, for which a unique set of test scores is reported and that is identified as such in the California Public School Directory at https://www.cde.ca.gov/SchoolDirectory
- Applies to expenditure accounts but is optional for revenue and balance sheet accounts.

Refer to CSAM Procedure 301

SECTION 1:
BALANCE SHEET ACCOUNTS

CASH IN COUNTY TREASURY – object 911000

CSAM DEFINITION: *Beginning cash balance, plus all monies deposited in the county treasury less disbursements. Included are all amounts added or deducted at the county level.*

Most of the district's cash activity occurs here.

CASH IN BANKS – object 912000

CSAM DEFINITION: *Indicated balances in separate bank accounts for adult education incidentals, scholarships and loans, school farm accounts, and cafeteria accounts (Education Code Sections 35314, 52704, and 38093). This account also includes any money in a bank clearing account awaiting deposit in the county treasury (Education Code Section 41017).*

Object 912000 will be used for recording transactions associated with fund 0800 – Student Activity Special Reserve Fund (ASB). *This was new in the fiscal year 2020-21.*

Generally, these accounts are separate bank accounts. Monthly bank reconciliations should be prepared for all cash in bank accounts.

At year-end, make sure that all bank activity, such as interest earnings or service charges, is recorded on the general ledger. If the district receives cash and issues a receipt but does not make a deposit to the County Treasurer's Office by the cash cutoff date, this amount needs to be shown in object 920000, Accounts Receivable.

REVOLVING CASH ACCOUNT – object 913000

CSAM DEFINITION: *(1) A recording of the establishment and maintenance of a cash account for use of the chief accounting officer or other designated official of the LEA in accordance with Education Code Sections 42800-42806, 42810, 42820, and 42821. This account is similar in use and control to accounts known as petty cash funds and includes petty cash funds. Once this account is established, it should be carried indefinitely in the general ledger and shown in all balance sheets and budgets until it is abolished. The amount recorded will vary only through an increase or decrease in the total amount approved for the account. It should be noted that the revolving cash account is a reserve of cash within an already established fund and is not to be considered or accounted for as a separate fund or entity. (2) A sum of money, either in the form of currency or a special bank account, set aside for the purpose of making change or immediate payments of small amounts. The invoices for these payments are accumulated, and the account is reimbursed from the LEA's funds, thus maintaining the account at the predetermined amount. Checks drawn on a prepayment account may not be for more than $1,000, including tax and freight (Education Code Section 42821).*

A revolving cash account is held at a local bank. A board-authorized revolving cash account is to be **used for emergency or petty cash** transactions not to exceed $1,000.

CASH WITH A FISCAL AGENT/TRUSTEE - object 913500

CSAM DEFINITION: *Deposits with a fiscal agent, such as a third-party administrator for self-insurance. This account also includes the proceeds of certificates of participation deposited with a trustee and amounts in an escrow account.*

Two common examples are:

- Certificate of Participation (COP)
- Tax & Revenue Anticipation Notes (TRAN)

The trustee controls the account and acts as the district's agent. DFS supervisors can assist if districts have questions on accounting for cash held with fiscal agents.

CSAM Procedure 715 Tax and Revenue Anticipation Notes (TRAN)

CSAM Procedure 720 Certificates of Participation (COPs) explains this financing technique and gives examples of typical entries.

IMPORTANT: COE normally reconciles and completes closing journal entries for Tax and Revenue Anticipation Notes (TRAN) at the end of July each year.

ACCOUNTS RECEIVABLE – object 920000

CSAM DEFINITION: *Amounts due from private persons, firms, or corporations. Accounts receivable will be limited to auditable amounts (usually based on contractual agreements); to amounts billed but not received; and, within provisions of law, to amounts that were earned by the close of the fiscal year and that might have been received and deposited in the county treasury by that date except for the lack of time for settlement.*

REMINDERS:

- Verify that all prior year accounts receivables (AR) are cleared ***before*** accruing ARs for the closing year.
- Make sure to log into the closing year when accruing ARs after June 30th.
- When an AR is booked using the District Receivables Application, the County Office will finalize any open (uncleared) AR remaining on October 31st.
- When a journal entry is used to accrue an AR, that entry must be manually reversed with a posting date before October 31st.

It is strongly recommended to use the District Receivables Application when booking an AR.

See Section 8: EVEREST APPLICATIONS, District Receivables Application

Below is a list of revenues that typically require a year-end accrual:

1. First and Second Installments of Fourth Quarter Interest Revenue
2. LCFF Revenue Adjustment
3. Fourth Quarter Lottery Revenue *Resource 1100 State Lottery* *Resource 6300 Lottery: Instructional Materials*
4. Restricted Program Revenues

1. First and Second Installments of Fourth Quarter Interest

   The first and second installments for the fourth quarter interest revenue will be accrued for ALL FUNDS using object 866000, *Interest*. *Note: Fund 25 uses resource 9051.*

   The first installment is received and posted in July of the new fiscal year and **must be accrued in the closing year.**

   The County of Fresno uses the following formula for the second installment:

   First Installment x Factor = Second Installment

The interest factor is posted on the Fresno County website at Fresno CTO Interest Rates.

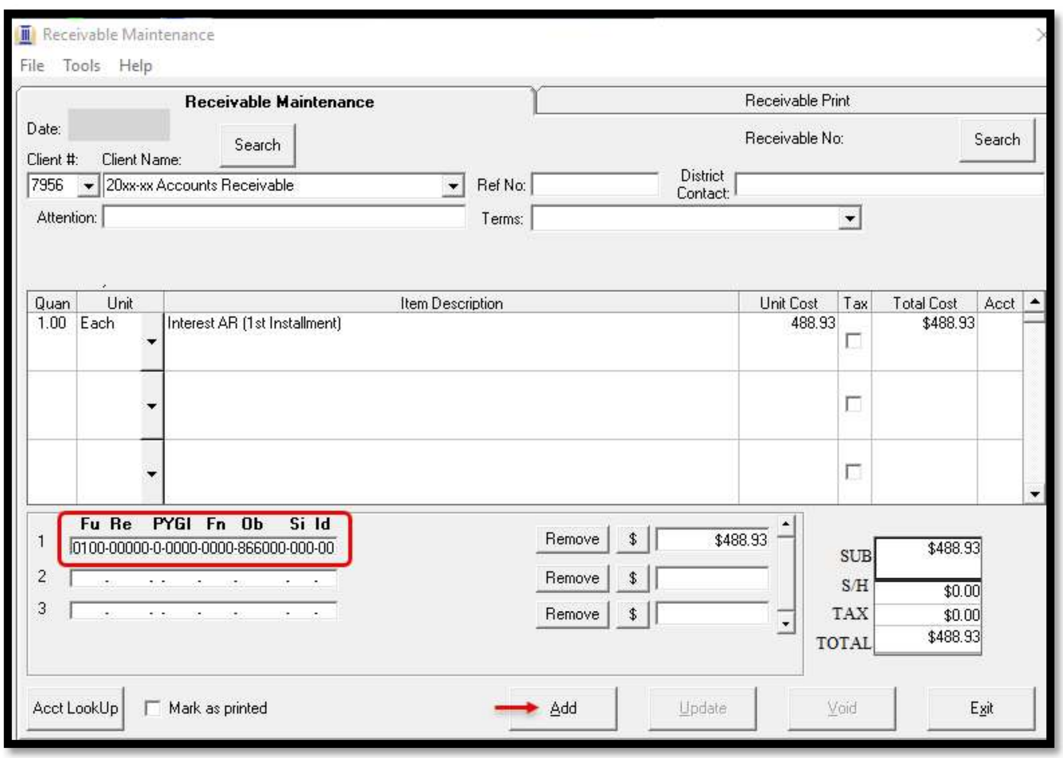
Example Calculate and book the ARs for the first and second installment for the fourth quarter interest revenue for Fund 01.

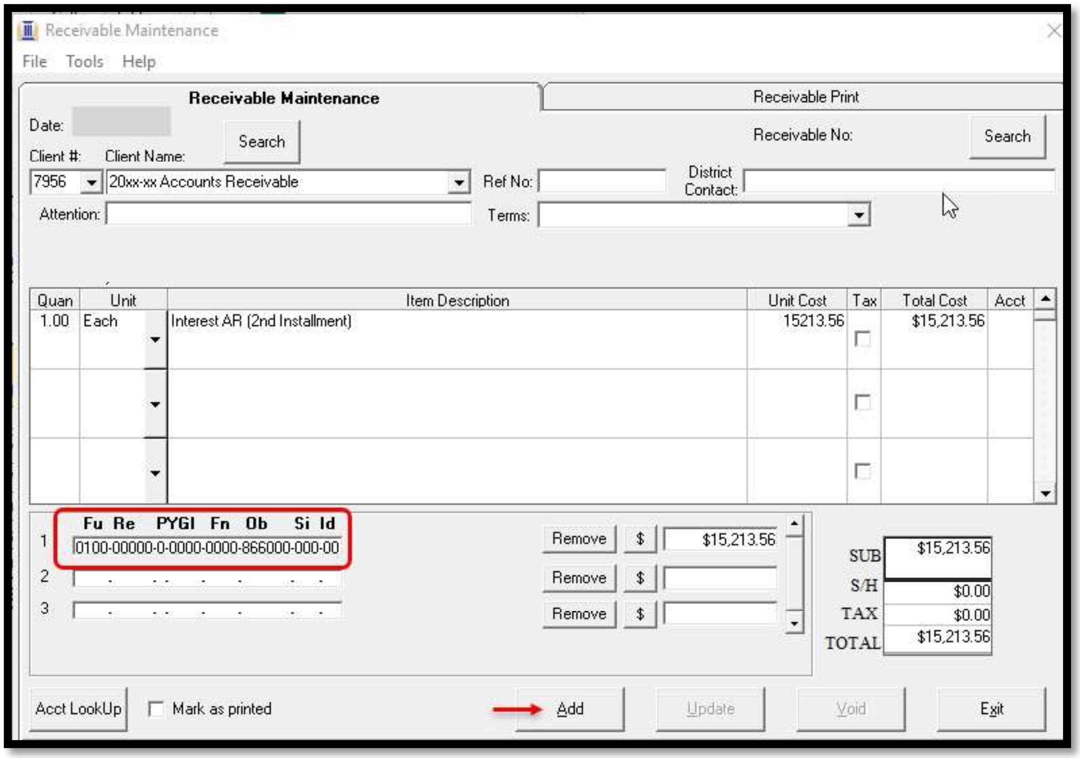
a. In the new year, run a General Ledger Report for object 866000 for all funds to get the first installment amounts.

b. Go to the Fresno County website to obtain the interest factor to calculate the second installment. \$488.93 x **31.1160335** = \$15,213.56

		Factor for Qtr Ending 06-30-20xx 31.1160335	
INTEREST EARNED			
Fund	Actual 4th Qtr-1st Installment	Estimate 4th Qtr- 2nd Installment	
0100	\$ 488.93	\$ 15,213.56	
1300	\$ 5.58	\$ 173.63	
2500	\$ 11.64	\$ 362.19	resource 9051

c. Book an AR for the first and second installment using the District Receivables Application:





2. Local Control Funding Formula (LCFF) Adjustments

   Object 801100, *State Aid Apportionment*, must be recalculated at year-end. Using P-2 ADA and Annual tax data, complete an LCFF calculator using the most current LCFF calculator from the FCMAT website.

   The difference between the State Aid portion already received and the calculated State Aid on the LCFF calculator may require an adjustment.

   a. If the difference is POSITIVE (underpaid), book an AR in the District Receivables Application using object 801100.

   b. If the difference is NEGATIVE (overpaid), accrue a current liability in the Liabilities Setup Application using object 801100.

   In the new fiscal year, the system will reverse the AR or liability to object 801900, *Prior Year Revenue*.

3. Lottery Apportionment for Fourth Quarter

   The Fourth Quarter Lottery revenue will be accrued using object 856000 for both the unrestricted lottery **Resource 11000**, *State Lottery*, and restricted lottery **Resource 63000,** *Lottery – Instructional Materials*. The AR amounts are calculated by taking the prior-year Annual ADA and multiplying it by the per ADA rate amounts included in the CDE's Lottery Fourth Quarter Accrual letter.

(Note: Lottery funding is based on the Annual ADA for the current year. However, since Annual ADA is not available until after the fiscal year ends, lottery funding is initially allocated using the prior year's Annual ADA and adjusted in the subsequent fiscal year.)

Example: Calculate and book the ARs for the fourth quarter lottery.

a. Refer to the CDE's Lottery Fourth Quarter Accrual letter for the final *per ADA rates.*

California Department of Education
Official Letter

July 17, 20xx

Dear County and District Superintendents:

20xx-xx Lottery Fourth Quarter Accrual
20xx-xx Lottery Revenue Projections

The following Lottery accrual and revenue projections are offered for your information as you prepare year-end statements and update your budgets.

20xx-xx Fourth Quarter Accrual

Based on the California State Lottery Commission's (CSLC) year-end projections for fiscal year 20xx-xx, the California Department of Education (CDE) estimates Lottery revenues to be $204.10 per unit of average daily attendance (ADA) for non-Proposition 20 (unrestricted revenues) and $99.90 per ADA for Proposition 20 revenues.

As of June 28, 20xx, the total amounts apportioned through the third quarter are $171.636748849 per ADA in non-Proposition 20 unrestricted revenues and $69.908322532 per ADA in Proposition 20 revenues. The CDE recommends accruals for the fourth quarter to be $32.47 per ADA for the unrestricted Lottery apportionment and $30.00 per ADA for the Proposition 20 apportionment. In summary:

b. Multiply the per ADA rate of $32.47 by the district's Annual ADA of 250 to get the **Unrestricted** lottery revenue AR.

c. Multiply the per ADA rate of $30.00 by the district's Annual ADA of 250 to get the **Restricted** lottery revenue AR.

LOTTERY			
FISCAL YEAR 20xx-xx			
	(4th qtr. rates based on CDE Lottery letter)		
	Accrual for 4th Quarter		
**ADA SCO Master Register	Res 11000 Unrestricted Non-Prop 20 $32.47	Res 63000 Restricted Prop 20 $30.00	Total 4th Quarter
250	8,117.50	7,500.00	15,617.50

***Go to the State Controller's website to access the Master Register.*

d. Using the District Receivables Application, enter these amounts using the following accounts:

0100-**11000**-0-0000-0000-**856000** $8,117.50
0100-**63000**-0-0000-0000-**856000** $7,500.00
(The system will automatically debit object 920000)

4. Restricted Program Revenues

Accounts Receivable should be accrued for Restricted Programs based on the calculations made on the Form CAT. Refer to SECTION 3: CATEGORICALS.

STORES – object 932000

CSAM DEFINITION: *Amounts of materials, supplies, and possibly certain equipment kept in a central warehouse and subject to requisition and use.*

LEAs should take a physical count of inventory at least once a year. To balance object 932000 to actual physical inventory, increase (debit) or decrease (credit) Stores object 932000 to either reduce or increase current year expenses.

If the inventory dollar amount is greater than the amount in object 932000:

Journal Entry – Closing Year	
DEBIT	object 932000
CREDIT	object 4xxxxx

Conversely, if the inventory dollar amount is less than the amount in object 932000:

Journal Entry – Closing Year	
DEBIT	object 4xxxxx
CREDIT	object 932000

Refer to CSAM, Procedure 405

Refer to SECTION 8: EVEREST APPLICATION, Journal Entry Application

PREPAID EXPENDITURES – object 933000

CSAM DEFINITION: *Payments made in advance of the receipt and use of services. Prepaid insurance premiums are illustrative. That portion of the premium paid in advance of coverage beyond the current fiscal year may be charged to Prepaid Expenditures. Adjustments to this account in the succeeding fiscal years apportion the premium over the period covered.*

In governmental fund accounting, expenditures for insurance and similar services extending over more than one accounting period need not be allocated between or among accounting periods but may be accounted for as expenditures in periods of acquisition.

Example Registration fee was paid in April, but the conference isn't until August**.**

At year-end, the prepaid expenditure is set up by Debiting 933000 and Crediting 520000- this entry reduces the expense and creates an asset.

Journal Entry – Closing Year	
DEBIT	object 930000
CREDIT	object 520000

Then in the following fiscal year, when the conference has been attended, the entry will be reversed by Debiting 520000 and Crediting 933000.

Journal Entry – Closing Year	
DEBIT	object 520000
CREDIT	object 933000

Refer to CSAM, Procedure 420.

Refer to SECTION 8: EVEREST APPLICATION, Journal Entry Application

ACCOUNTS PAYABLE (CURRENT LIABILITIES) – object 950000

CSAM DEFINITION: *Amounts due to private persons, firms, or corporations for services rendered and goods received on or before the close of the fiscal year. Do not include encumbrances represented by purchase orders or contracts, or portions thereof, for services or goods to be furnished after the close of the fiscal year. Include salaries earned but not paid until after June 30, amounts owed to other LEAs for tuition payments, that portion of construction contracts represented by work done by the close of the fiscal period, invoices for materials or equipment received prior to June 30, and so forth. Use Object 962000, Due to Student Groups/Other Agencies, for the liabilities of a custodial fund.*

REMINDERS:

- Verify that all prior year current liabilities are cleared ***before*** entering current liabilities for the closing year.
- Before rolling purchase orders into current liabilities or creating a new current liability, confirm with the vendor that the goods or services will be received by June 30th. Analyze open purchase orders to determine if a valid liability exists. Close any purchase orders that are no longer needed.
- Make sure to log into the closing year when entering current liabilities after June 30th.
- All current liabilities booked using the Liabilities Setup Application will be finalized on October 31st by the County Office.
- All current liabilities completed with a journal entry must be manually reversed with a posting date before October 31st.

It is strongly recommended to use the Liabilities Setup Application when booking current liabilities.

Refer to SECTION 8: EVEREST APPLICATIONS, Liabilities Setup Application

PAYROLL HOLDING ACCOUNTS – objects 951XXX & 955000

Common Payroll Holding Accounts include:

	Holding Account	Expense Accounts
STRS *(State Teachers' Retirement System)*	951100	3101xx – 3102xx
PERS *(Public Employees' Retirement System)*	951200	3201xx – 3202xx
FICA (*Federal Insurance Computation Act*)	951300	3311xx – 3312xx
Health & Welfare	951400	3401xx – 3402xx
SUI (*State Unemployment Insurance*)	951500	3501xx – 3502xx
Worker's Comp	951600	3601xx – 3602xx
Medicare	951700	3321xx – 3322xx
Deferred Pay	955000	

REMINDERS:

- Payroll Holding accounts should be reconciled monthly for ALL FUNDS (i.e., Cafeteria Fund and Child Development Fund).
- Payroll transfers and backup are saved in the District Financial Services Portal.

STATE TEACHERS' RETIREMENT SYSTEM (STRS) - object 951100

Record expenditures made to provide personnel with retirement benefits under STRS. This excludes employee contributions. Object 3101XX includes certificated employees enrolled in STRS; Object 3102XX includes employees in classified positions enrolled in STRS.

- At year-end, the balance remaining in object 951100 should be the STRS payroll benefit liability for the July 10th payroll. If the district did not have a July 10th payroll, the amount should be zero at year-end.
- Common entries are payroll withholdings, adjustments for refunds and/or charges, adjustments for canceled payroll warrants, and payments to STRS made on behalf of the LEA.
- *If applicable*, move balances in object 951100 from other funds to the General Fund- *all payments are made from the General Fund*.
  - Generate a journal entry to set up due to other funds/due from other funds.

  - Generate a transfer for board adoption and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951100 and expense accounts, objects 3101xx - 3102xx.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) – object 951200

Record expenditures made to provide personnel with retirement benefits under PERS. This excludes employee contributions, although it does include the employer's payment of an employee's contribution. Object 3201XX includes employees in certificated positions enrolled in PERS; Object 3202XX includes classified employees enrolled in PERS.

- At year-end, the balance remaining in object 951200 should be the PERS payroll benefit liability for the July 10th payroll. If the district did not have a July 10th payroll, the amount should be zero at year-end.
- Common entries are payroll withholdings, adjustments for refunds and/or charges, adjustments for canceled payroll warrants, and payments to PERS made on behalf of the LEA.
- *If applicable*, move balances to object 951200 from other funds to the General Fund- *all payments are made from the General Fund*.
  - Generate a journal entry to set up due to other funds/due from other funds.
  - Generate a transfer for board adoption and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951200 and expense accounts, objects 3201xx - 3202xx.

FEDERAL INSURANCE COMPUTATION ACT (FICA) – object 951300

Object 3311XX covers certificated positions; Object 3312XX covers classified positions.

- At year-end, the balance remaining in object 951300 should be the FICA payroll benefit liability for the July 10th payroll. If the district did not have a July 10th payroll, the amount should be zero at year-end.
- Common entries are payroll withholdings, adjustments for refunds and/or charges, adjustments for canceled payroll warrants, and payments to FICA made on behalf of the LEA.
- *If applicable*, move balances to object 951300 from other funds to the General Fund- *all payments are made from the General Fund.*
  - Generate a journal entry to set up due to other funds/due from other funds.
  - Generate a transfer for board adoption and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951300 and expense accounts, objects 3311xx - 3312xx.

HEALTH AND WELFARE (H&W) – object 951400

Record expenditures made to provide personnel with H&W insurance benefits. This excludes employee contributions but includes H&W benefit premiums paid to a self-insurance fund. Object 3401XX covers certificated positions; Object 3402XX covers classified positions.

- At year-end, the balance remaining in object 951400 should be for payment of health insurance premiums for employees receiving deferred pay.
- The calculations for annual employee premiums can be made in periods of 12 months *(July through June)*, 11 months *(August through June)*, or 10 months *(September through June)*
- Common entries are payroll withholdings, adjustments for canceled payroll warrants, deposits for checks from retirees for benefits, and payments to the district's health benefits provider(s).
- *If applicable*, move balances to object 951400 from other funds to the General Fund- *all payments are made from the General Fund.*
    - Generate a journal entry to set up due to other funds/due from other funds.
    - Generate a transfer for board adoption and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951400 and expense accounts, objects 3401xx - 3402xx.

STATE UNEMPLOYMENT INSURANCE (SUI) – object 951500

Record expenditures made to provide personnel with unemployment compensation. Object 3501XX covers certificated positions; Object 3502XX covers classified positions.

- State Unemployment Insurance (SUI) is paid quarterly from Fund 0100 – General Fund and all activity should be in this fund.
- At year-end, the balance remaining in object 951500 should be the payroll benefit liability for April 10^{th} payroll through July 10^{th} payroll.
    - The State Unemployment Insurance rate may change effective July 1. If this occurs, two calculations will be necessary.
- Common entries are payroll withholdings, adjustments for canceled payroll warrants, and payments made on the district's behalf.
- *If applicable*, move balances to object 951500 from other funds to the General Fund- *all payments are made from the General Fund.*
    - Generate a journal entry to set up due to other funds/due from other funds.
    - Generate a transfer for board approval and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951500 and expense accounts, objects 3501xx - 3502xx.

WORKER'S COMPENSATION (WC) – object 951600

Record expenditures made to provide personnel with WC benefits. This includes WC insurance premiums paid to a self-insurance fund. Object 3601XX covers certificated positions; Object 3602XX covers classified positions.

- At year-end, the balance remaining in object 951600 should be the total payroll benefit liability of all funds for the fiscal year through July 10th payroll minus any payments made to the district's JPA or carrier.
- *If applicable,* move balances to object 951600 from other funds to the General Fund- *all payments are made from the General Fund.*
    - Generate a journal entry to set up due to other funds/due from other funds.
    - Generate a transfer for board approval and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconcile the balance in the holding account to the district's JPA or carrier invoices.
    - A final billing adjustment from the district's JPA or carrier should reconcile the balance in object 951600.
- Reconciling journal entries will be made between object 951600 and expense accounts, object 3601XX and 3602XX.

MEDICARE – object 951700

Object 3321 indicates that the benefits cover certificated positions; Object 3322 indicates that these benefits cover classified positions.

- At year-end, the balance remaining in object 951700 should be the payroll benefit liability for the July 10th payroll. If the district did not have a July 10th payroll, the amount should be zero at year-end.
- Common entries are payroll withholdings, adjustments for canceled payroll warrants, and payments made on the district's behalf.
- *If applicable*, move balances to object 951700 from other funds to the General Fund- *all payments are made from the General Fund.*
    - Generate a journal entry to set up due to other funds/due from other funds.
    - Generate a transfer for board approval and submission to the DFS Team with the submission of the Unaudited Actuals financial statements.
- Reconciling journal entries will be made between object 951700 and expense accounts, objects 3321XX and 3322XX.

DEFERRED PAY – object 955000

- Common entries are payroll withholding and payments of deferred payroll. It is recommended that LEAs work closely with the District Payroll department when a payout occurs.

- Every May, the District Payroll department supplies each district with a Payroll Prelist – Deferred Pay, to be reconciled to ensure that the balance in the holding account is accurate for the deferred payments to be paid July and/or August. This is done by generating a general ledger report for object 955000 for the closed fiscal year. Compare the total amount on the pre-list with the amount in object 955000 to see if the LEA discovers any of the following discrepancies.
    - Unpaid deferred pay.
    - Adjustment made to deferred pay to avoid overpayment to employee. An example would be overused sick leave taken from deferred pay rather than collected from the employee.

CSESAP DEFERRED PAY – object 955100

- Common entries are payroll withholdings and payments made on the district's behalf.

USE TAX HOLDING ACCOUNT – object 958000

While some out-of-state businesses collect California Use Tax, many do not. If the seller does not collect California Sales Tax on the purchase, districts must pay the use tax to the State of California Board of Equalization.

- Common entries are Use Tax Withholdings and payments to the State Board of Equalization.
- Reconcile ALL FUNDS that have Use Taxes.
- Work with the district's Accounts Payable team to ensure that the funds in this object are accurate.
- Use Tax must be paid to the Board of Equalization ***quarterly*** to avoid penalties and interest assessed to the district.
- To obtain a copy of the California Use Tax form and further instructions, go to the following website: https://www.cdtfa.ca.gov/

DUE TO OTHER FUNDS / DUE FROM OTHER FUNDS – objects 9610 / 9310

Object 961000 – Due to Other Funds

CSAM DEFINITION: *Amounts due to other funds within the LEA*

Object 931000 – Due From Other Funds

CSAM DEFINITION: *Amounts due from other funds of the LEA.*

- Make sure that all revenues and expenditures are accounted for in the proper fund. If one fund owes another fund at year-end and it is after the inter-fund transfer cut-off time, commonly mid-June, then there should be closing entries setting up Due to Other Fund and Due from Other Fund to ensure the closing year's financial statement is accurate.
- Be sure to reconcile the due to/due from objects and clear prior year amounts before establishing new due to/due from in the closing year.
    - Education Code 42603 requires repayment either in the same fiscal year or the following fiscal year if the transfer takes place within the last 120 days of the fiscal year.

Example Cafeteria Fund (Fund 13) owes the General Fund (Fund 01) for Indirect Charges.

STEP 1: Prepare and process a journal entry for the closing year:

Journal Entry – Closing Year					
	Fund	Resource	Goal	Function	Object
DEBIT	0100	00000	0000	0000	931000
CREDIT	0100	00000	0000	7210	735000
DEBIT	1300	53100	0000	7210	735000
CREDIT	1300	00000	0000	0000	961000

STEP 2: In the new year, generate an Inter-fund Transfer Request to move the cash:

Inter-fund Transfer Request – New Year					
	Fund	Resource	Goal	Function	Object
FROM (DEBIT)	1300	00000	0000	0000	961000
TO (CREDIT)	0100	00000	0000	0000	931000

UNEARNED REVENUE – object 965000

CSAM DEFINITION: *Resources received prior to revenue recognition.*

- Complete the **FORM CAT** to determine if Unearned Revenue should be booked.

Example Title 1, Part A, revenues exceeded expenditures on Form CAT for the closing year**.**

STEP 1: Book Unearned Revenue in the closing year.

Journal Entry - Closing Year			
	Fund	Resource	Object
DEBIT	0100	30100	829000
CREDIT	0100	30100	965000

STEP 2: Reverse the Unearned Revenue entry in the new year.

Journal Entry – New Year			
	Fund	Resource	Object
DEBIT	0100	30100	965000
CREDIT	0100	30100	8290**91**

It is highly encouraged to complete these two entries at the same time to prevent a balance in object 965000.

Refer to SECTION 3: CATEGORICALS, Preparing the Form CAT

SUSPENSE CLEARING ACCOUNT – object 991000

CSAM DEFINITION: *An account that carries charges or credits temporarily pending determination of the proper account or accounts to which they are to be posted and that may be used for posting amounts not yet analyzed to decide whether they should be classified as revenue, expenditure, or abatement. Charges that must be allocated or prorated may be posted in this account until such allocation or proration can be calculated. This account must balance to zero at the close of the fiscal year and should be reviewed monthly.*

REMINDERS:

- This account should be reconciled monthly for ALL FUNDS.
- The June 30th balance **must** be zero **for all funds.**

Reconcile this account using the following steps:

STEP 1: Make sure you are in the closing year on Everest.

STEP 2: Generate a General Ledger Report using object 991000.

STEP 3: Reconcile the account by eliminating matching debits and credits; then clear the outstanding entries to the appropriate account classification and/or other funds, *if applicable.*

STEP 4: Use journal entries to clear the suspense clearing account to zero.

Refer to SECTION 8: EVEREST APPLICATION, Journal Entry Application

SECTION 2:

LOCAL CONTROL FUNDING FORMULA (LCFF) CALCULATION

LOCAL CONTROL FUNDING FORMULA (LCFF)

LCFF funding is allocated through the Principal Apportionment and is funded through a combination of local property taxes and state funding from the State School Fund and Education Protection Account.

School District and Charter School LCFF Entitlement Components

NECESSITIES OF THE LCFF CALCULATOR

Complete the most recently updated FCMAT District and Charter School LCFF Calculator.

On the **Data Entry Tab**, verify that all pre-populated information in the 2025-26 Column is accurate. Verify all prior year data, including P2 and Annual ADA, as corrections submitted to the CDE may not yet be reflected in published CDE exhibits or incorporated into the most recently released FCMAT LCFF Calculator.

Forms needed to complete the LCFF Calculator:

- **A) LEAs 2025-26 Annual Taxes**
    1. Miscellaneous In-Lieu Taxes (not the same as Charter In-Lieu)
    2. RDA Total
- **B) 2025-26 Enrollment and Unduplicated Pupil Count**
    1. Certified CBED Enrollment Count
    2. County Operated Enrollment Count
    3. District Unduplicated Pupil Count
    4. COE Unduplicated Pupil Count
- **C) 2025-26 Certified Average Daily Attendance (ADA)**
    1. PADC Certified P2 ADA
    2. P2 - TK ADA
    3. PADC Certified Annual ADA
    4. Annual - TK ADA
    5. County Operated ADA - P2
    6. County Operated ADA – Annual
- **D) 2025-26 Charter In-lieu Taxes**
    1. Charter ADA
    2. (Or) Charter LCFF Calculator Summary Tab.

Each LEA is responsible for reviewing and verifying all pre-populated prior year information in the Data Entry Tab to ensure that any corrections made are accurately reflected in the **LCFF Calculator**. Updates submitted to the CDE may not yet be reflected in published CDE exhibits or incorporated into the most recently released FCMAT **LCFF Calculator**. By verifying prior year data, LEAs help ensure a more accurate LCFF funding calculation for the closing year, especially when 3-year average funding, prior year funding, or current year funding factors are used to determine LCFF entitlement.

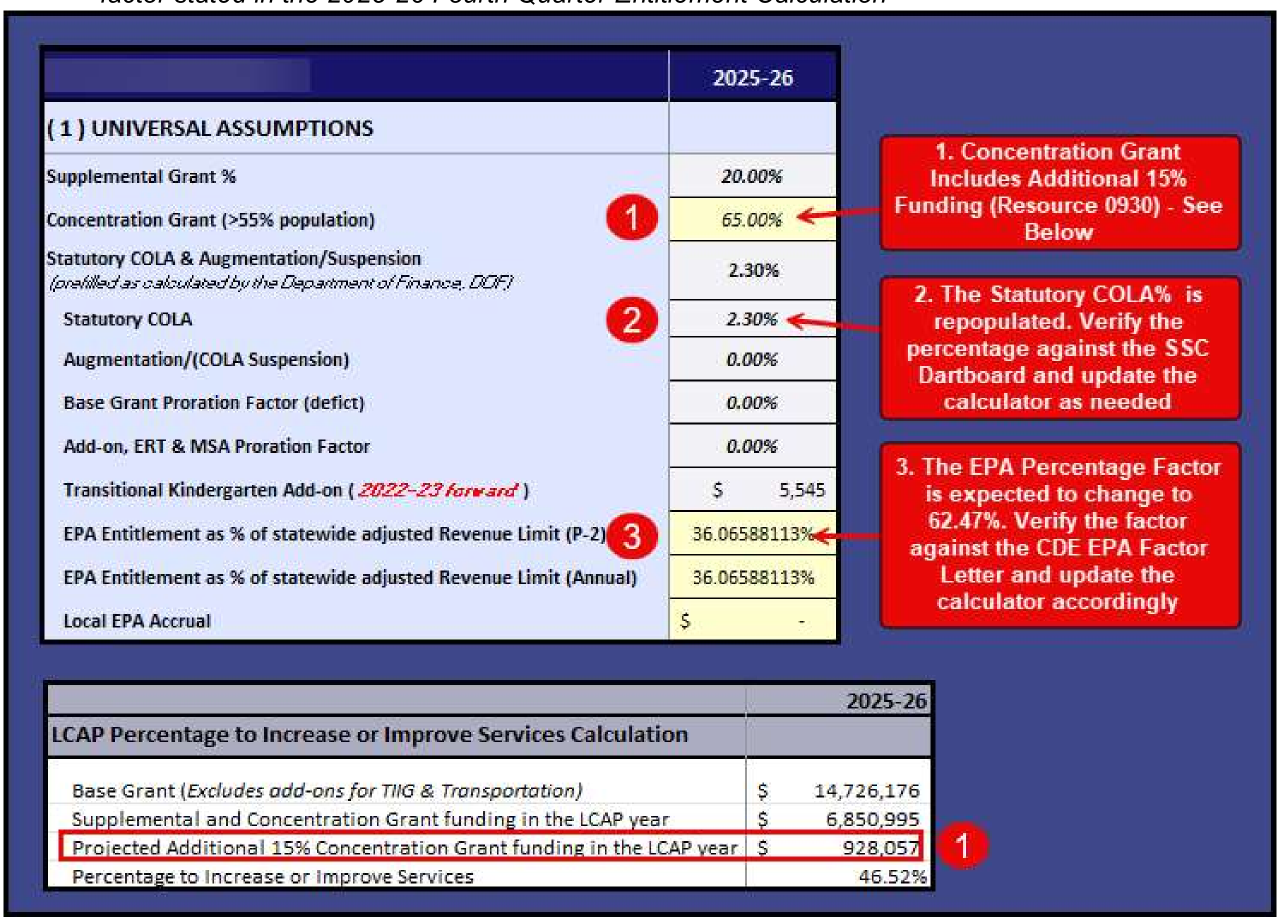
CREATE A LCFF CALCULATOR

Data Entry Tab

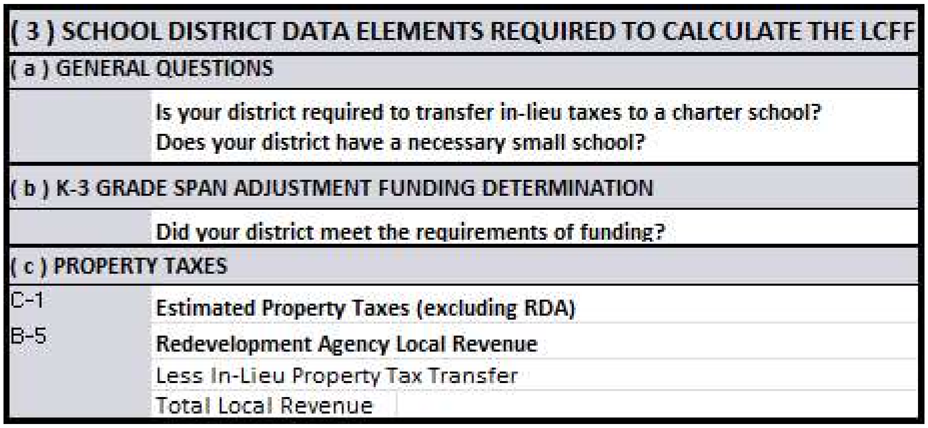
(1) UNIVERSAL ASSUMPTIONS:

1. **Concentration Grant -** The Concentration Grant percentage is prepopulated at 65% and includes the additional 15% concentration grant add-on. On the Summary Tab under LCAP Percentage to Increase or Improve Services Calculation, Resource 0930 is displayed separately. The Supplemental and Concentration Grant funding total **includes** the additional 15% concentration grant. The amount is displayed separately on the Summary Tab for informational purposes and should not be counted as additional funding.
2. **Statutory COLA -** The percentage is prefilled and is calculated by the Department of Finance. Please verify the accuracy of this percentage.
3. **EPA Entitlement -** The **EPA Percentage Factor** is expected to change. Please **manually update** the percentage once the CDE's 2025-26 EPA FACTOR letter becomes available.

Note: The above link will become functional when the CDE releases the Fourth Quarter Apportionment for the Education Protection Account, Fiscal 2025-26. Once available, enter the factor stated in the 2025-26 Fourth Quarter Entitlement Calculation



(3) SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE THE LCFF



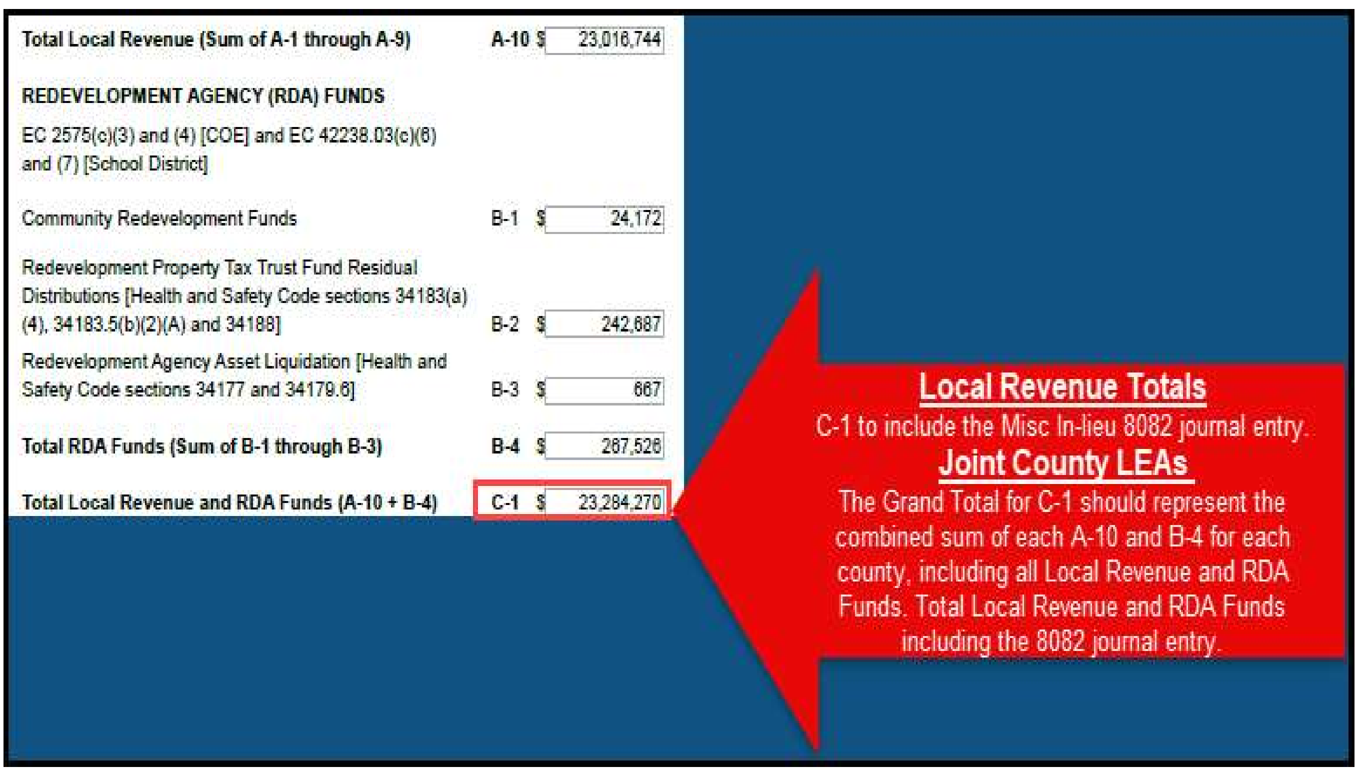
(3) SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE THE LCFF	
(a) GENERAL QUESTIONS	
	Is your district required to transfer in-lieu taxes to a charter school? Does your district have a necessary small school?
(b) K-3 GRADE SPAN ADJUSTMENT FUNDING DETERMINATION	
	Did your district meet the requirements of funding?
(c) PROPERTY TAXES	
C-1	Estimated Property Taxes (excluding RDA)
B-5	Redevelopment Agency Local Revenue
	Less In-Lieu Property Tax Transfer
	Total Local Revenue

(a) GENERAL QUESTIONS
No Action Required. Review for reasonableness.

(b) K-3 GRADE SPAN ADJUSTMENT FUNDING DETERMINATION
This field is prepopulated but remains editable. Verify that the district meets the K-3 Grade Span Adjustment funding requirements.

(c) PROPERTY TAXES OBJECTS 8021-8089
Enter your LEA's 2024–25 **Annual Taxes** based on the certified tax exhibits available on the DFS SharePoint.

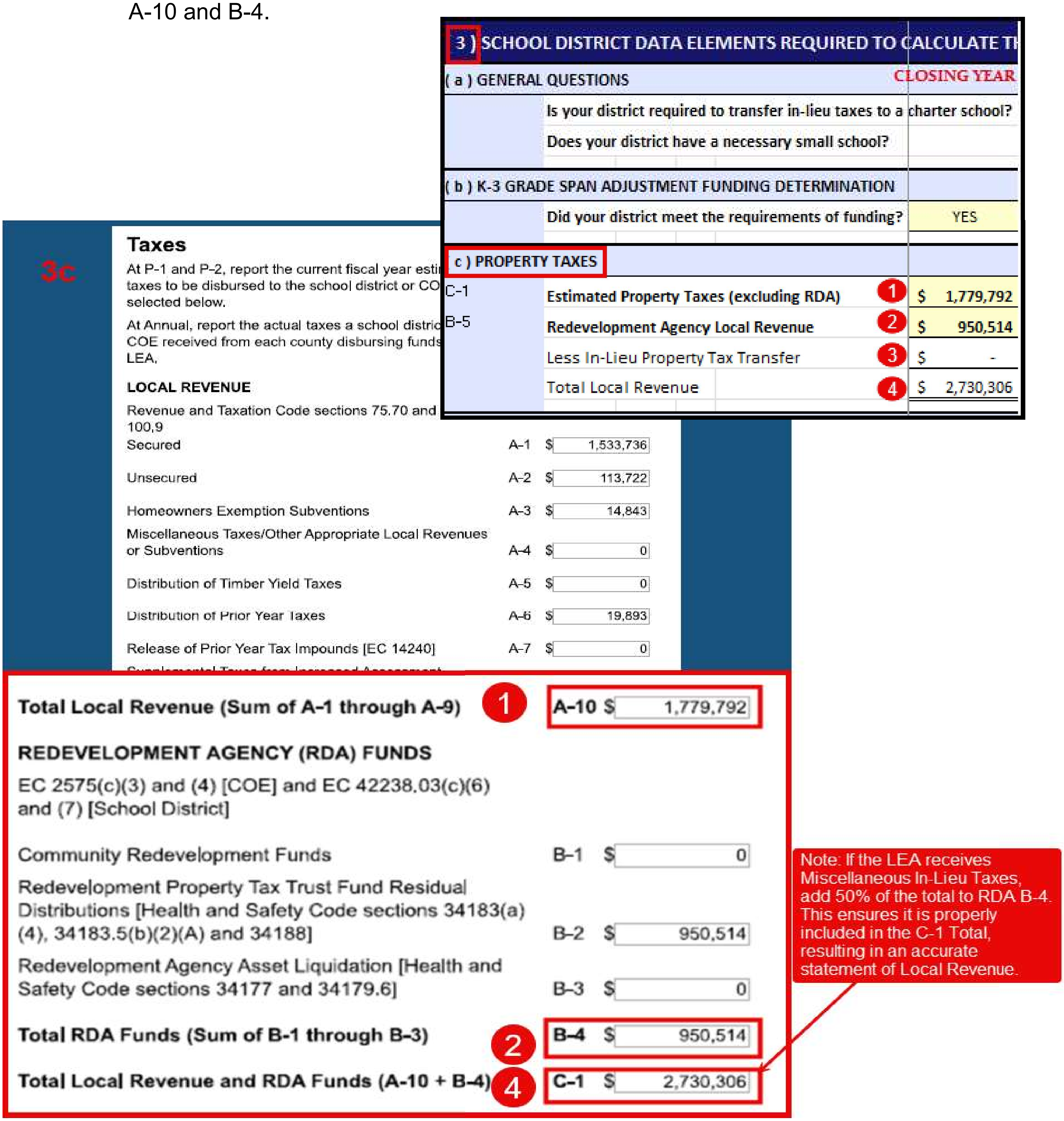
FCSS will email Certified Annual Tax Reports to LEAs in mid-August. Use these reports when completing the Unaudited Actuals **LCFF Calculator** as demonstrated below. Joint County LEAs should include tax information from all counties to ensure the total local revenue amount is complete and accurate.



Total Local Revenue (Sum of A-1 through A-9)	A-10 $	23,016,744
REDEVELOPMENT AGENCY (RDA) FUNDS		
EC 2575(c)(3) and (4) [COE] and EC 42238.03(c)(6) and (7) [School District]		
Community Redevelopment Funds	B-1 $	24,172
Redevelopment Property Tax Trust Fund Residual Distributions [Health and Safety Code sections 34183(a)(4), 34183.5(b)(2)(A) and 34188]	B-2 $	242,687
Redevelopment Agency Asset Liquidation [Health and Safety Code sections 34177 and 34179.6]	B-3 $	667
Total RDA Funds (Sum of B-1 through B-3)	B-4 $	267,526
Total Local Revenue and RDA Funds (A-10 + B-4)	C-1 $	23,284,270

How to enter Property Taxes from the Exhibit into the LCFF Calculator (3c)

- 1 **Estimated Property Tax** should be taken from Exhibit A-10.
- 2 **Redevelopment Agency Local Revenue** is from Exhibit B-4.
- 3 **Miscellaneous 50% in-Lieu Property Tax Transfer** (if applicable).
- 4 **Total Local Revenue** (Exhibit C-1) should reconcile with the sum of the Exhibits A-10 and B-4.



3) SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE TH

		CLOSING YEAR
(a) GENERAL QUESTIONS		
	Is your district required to transfer in-lieu taxes to a charter school?	
	Does your district have a necessary small school?	
(b) K-3 GRADE SPAN ADJUSTMENT FUNDING DETERMINATION		
	Did your district meet the requirements of funding?	YES
c) PROPERTY TAXES		
C-1	Estimated Property Taxes (excluding RDA) 1	$ 1,779,792
B-5	Redevelopment Agency Local Revenue 2	$ 950,514
	Less In-Lieu Property Tax Transfer 3	$ -
	Total Local Revenue 4	$ 2,730,306

3c

Taxes

At P-1 and P-2, report the current fiscal year esti... taxes to be disbursed to the school district or CO... selected below.

At Annual, report the actual taxes a school distric... COE received from each county disbursing funds... LEA.

LOCAL REVENUE

Revenue and Taxation Code sections 75.70 and 100.9

Secured	A-1	$ 1,533,736
Unsecured	A-2	$ 113,722
Homeowners Exemption Subventions	A-3	$ 14,843
Miscellaneous Taxes/Other Appropriate Local Revenues or Subventions	A-4	$ 0
Distribution of Timber Yield Taxes	A-5	$ 0
Distribution of Prior Year Taxes	A-6	$ 19,893
Release of Prior Year Tax Impounds [EC 14240]	A-7	$ 0
Total Local Revenue (Sum of A-1 through A-9) 1	A-10	$ 1,779,792

REDEVELOPMENT AGENCY (RDA) FUNDS

EC 2575(c)(3) and (4) [COE] and EC 42238.03(c)(6) and (7) [School District]

Community Redevelopment Funds	B-1	$ 0
Redevelopment Property Tax Trust Fund Residual Distributions [Health and Safety Code sections 34183(a)(4), 34183.5(b)(2)(A) and 34188]	B-2	$ 950,514
Redevelopment Agency Asset Liquidation [Health and Safety Code sections 34177 and 34179.6]	B-3	$ 0
Total RDA Funds (Sum of B-1 through B-3) 2	B-4	$ 950,514
Total Local Revenue and RDA Funds (A-10 + B-4) 4	C-1	$ 2,730,306

Note: If the LEA receives Miscellaneous In-Lieu Taxes, add 50% of the total to RDA B-4. This ensures it is properly included in the C-1 Total, resulting in an accurate statement of Local Revenue.

Other Federal In-Lieu Taxes

Districts that have Object 8082- Other Federal In-Lieu Taxes (not Charter In-lieu), please enter 50% of the amount and include in the Property Tax Totals.

FRESNO COUNTY SUPERINTENDENT OF SCHOOLS SACS Object 8082 - Other Federal In-Lieu Taxes - FY 20XX-XX *This report is entered into and submitted via CDE PADC Web Application by FCSS							
				SACS Object 808200		District Journal Entry	
				Other In-Lieu Taxes		Debit 50%	Credit 50%
CTO FUND NUMBER	CDS CODE	DISTRICT	FCSS Dist. #	Actual	Reported to CDE (Rounded)	0100-808900	0100-869100
6999	69999	LEA NAME	00	$ 1,103.45	$ 1,103.00	$ 551.73	$ 551.73

2

When entering data into the calculator, add the $551.73 (50% In-Lieu) to the B-4 RDA amount from the Property Tax Form. The combined total (B-4 RDA + $551.73) should be entered in Line #2 of the calculator. Consequently, Line #4 (C-1) should reflect the sum of $2,730,306 and $551.73, which equals **$2,730,857.73**.

SAMPLE JOINT COUNTY DISTRICT WITH 50% MISC IN-LIEU TAXES:

LOCAL REVENUE — Sample Annual Joint County Totals including 50% In Lieu

Revenue and Taxation Code sections 75.70 and 95 - 100.9

Secured	A-1	$ 10,828,909	10,828,909 + 1,567,067 = $12,395,976
Unsecured	A-2	$ 653,918	653,918 + 130,712 = $784,630
Homeowners Exemption Subventions	A-3	$ 81,195	81,195 + 8,913 = $90,108
Miscellaneous Taxes/Other Appropriate Local Revenues or Subventions	A-4	$ 0	0
Distribution of Timber Yield Taxes	A-5	$ 792	792 + 0 = $792
Distribution of Prior Year Taxes	A-6	$ 63,434	63,434 + 53,898 = $117,332
Release of Prior Year Tax Impounds [EC 14240]	A-7	$ 0	0
Supplemental Taxes from Increased Assessment [Revenue and Tax Code 75.70-75.72]	A-8	$ 420,431	420,431 + 0 = $420,431
Educational Revenue Augmentation Fund [Revenue and Taxation Code 97-97.81]	A-9	$ -337,945	-337,945 + 71,326 = -266,619
Total Local Revenue (Sum of A-1 through A-9)	**A-10**	$ 11,710,734	11,710,734 + 1,831,816 = **$13,542,650**

REDEVELOPMENT AGENCY (RDA) FUNDS

EC 2575(c)(3) and (4) [COE] and EC 42238.03(c)(6) and (7) [School District]

Community Redevelopment Funds	B-1	$ 123,267	123,267 + 0 = $123,267
Redevelopment Property Tax Trust Fund Residual Distributions [Health and Safety Code sections 34183(a)(4), 34183.5(b)(2)(A) and 34188]	B-2	$ 2,212,338	2,212,338 + 3,935 = $2,216,273
Redevelopment Agency Asset Liquidation [Health and Safety Code sections 34177 and 34179.6]	B-3	$ 0	0
Total RDA Funds (Sum of B-1 through B-3)	**B-4**	$ 2,335,605	2,335,605 + 3,935 + 2,022.72 = **$2,341,562.72**
Total Local Revenue and RDA Funds (A-10 + B-4)	**C-1**	$ 14,046,339	14,046,339 + 1,835,851 + 2,022.72 = **$15,884,212.72**

(c) PROPERTY TAXES			Source: School District Local Revenue Exhibit
C-1 A-6	Estimated Property Taxes (excluding RDA)	$ 13,542,650	USE Annual Tax Report - Total local revenue (check for multiple counties if applicable)
B-5	Redevelopment Agency Local Revenue	$ 2,341,563	USE Annual Tax Report - RDA Funds + Misc (if applicable)
	Less In-Lieu Property Tax Transfer	$ (567,932)	
	Total Local Revenue	$ 15,316,281	

$15,884,213

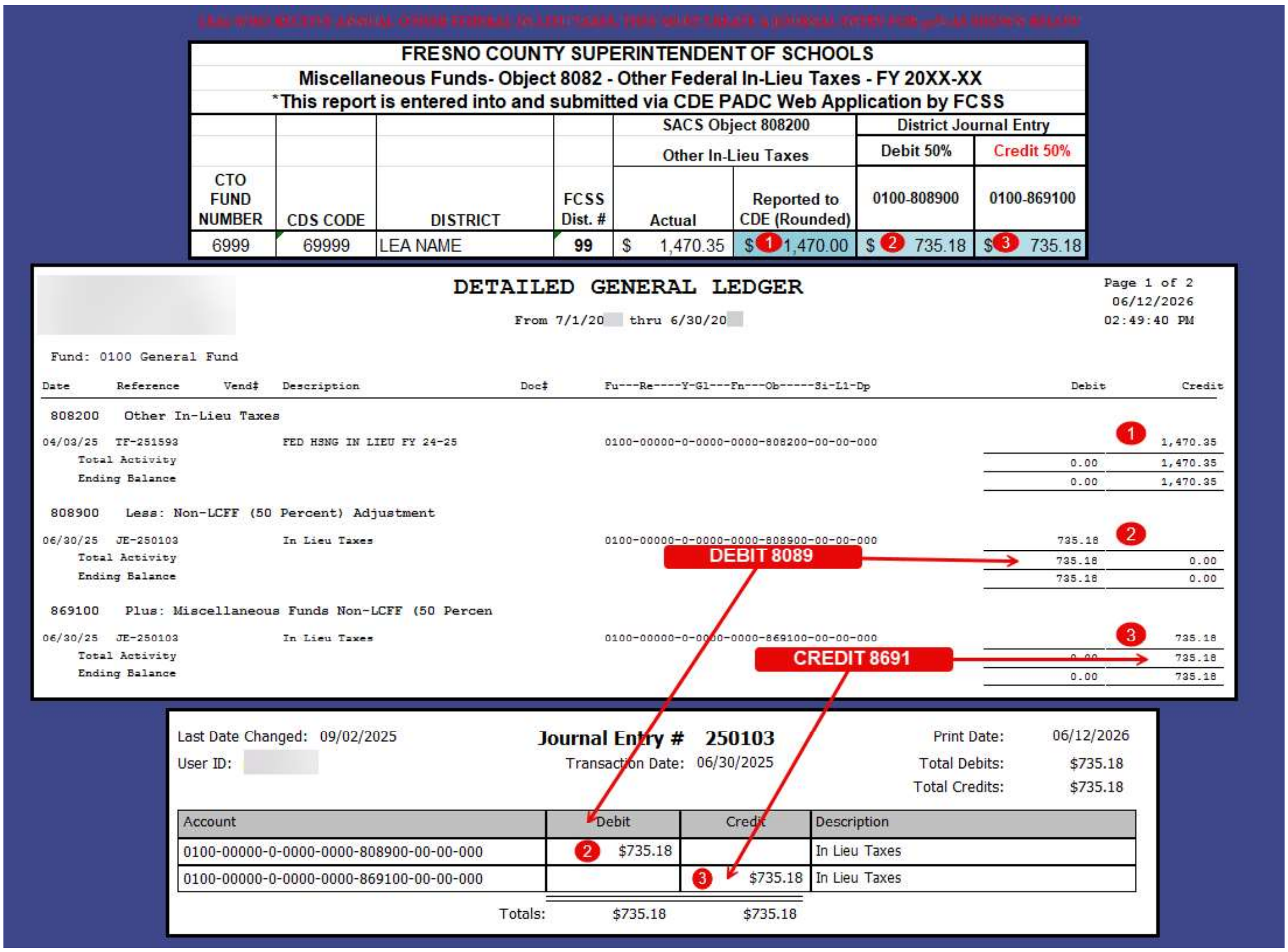
SACS Object 808200		District Journal Entry	
Other In-Lieu Taxes		Debit 50%	Credit 50%
Actual	Reported to CDE (Rounded)	0100-808900	0100-869100
$ 4,045.43	$ 4,045.00	$ 2,022.72	$ 2,022.72

To Correctly Post the Journal Entry for Object 8082 – In-Lieu Taxes

A spreadsheet will be provided for each LEA that receives Miscellaneous In-Lieu Tax funding. Use the spreadsheet to calculate the required adjustment.

FCSS will post the total amount under Object 8082. Each LEA must then record a journal entry as follows:

- Debit 50% of the amount to Object 8089 – *Less Non LCFF Adjustment*
- Credit 50% of the amount to Object 8691 – *Plus Misc Funds Non LCFF*



FRESNO COUNTY SUPERINTENDENT OF SCHOOLS
Miscellaneous Funds- Object 8082 - Other Federal In-Lieu Taxes - FY 20XX-XX
*This report is entered into and submitted via CDE PADC Web Application by FCSS

CTO FUND NUMBER	CDS CODE	DISTRICT	FCSS Dist. #	SACS Object 808200 Other In-Lieu Taxes: Actual	SACS Object 808200 Other In-Lieu Taxes: Reported to CDE (Rounded)	District Journal Entry: Debit 50% 0100-808900	District Journal Entry: Credit 50% 0100-869100
6999	69999	LEA NAME	99	$ 1,470.35	$ 1 1,470.00	$ 2 735.18	$ 3 735.18

DETAILED GENERAL LEDGER
From 7/1/20 thru 6/30/20
Page 1 of 2
06/12/2026
02:49:40 PM

Fund: 0100 General Fund

Date	Reference	Vend#	Description	Doc#	Fu---Re----Y-Gl---Fn---Ob-----Si-Ll-Dp	Debit	Credit
808200	Other In-Lieu Taxes						
04/03/25	TF-251593		FED HSNG IN LIEU FY 24-25		0100-00000-0-0000-0000-808200-00-00-000		1 1,470.35
	Total Activity					0.00	1,470.35
	Ending Balance					0.00	1,470.35
808900	Less: Non-LCFF (50 Percent) Adjustment						
06/30/25	JE-250103		In Lieu Taxes		0100-00000-0-0000-0000-808900-00-00-000	735.18 2	
	Total Activity					735.18	0.00
	Ending Balance					735.18	0.00
869100	Plus: Miscellaneous Funds Non-LCFF (50 Percen						
06/30/25	JE-250103		In Lieu Taxes		0100-00000-0-0000-0000-869100-00-00-000		3 735.18
	Total Activity					0.00	735.18
	Ending Balance					0.00	735.18

Last Date Changed: 09/02/2025
User ID:
Journal Entry # 250103
Transaction Date: 06/30/2025
Print Date: 06/12/2026
Total Debits: $735.18
Total Credits: $735.18

Account	Debit	Credit	Description
0100-00000-0-0000-0000-808900-00-00-000	2 $735.18		In Lieu Taxes
0100-00000-0-0000-0000-869100-00-00-000		3 $735.18	In Lieu Taxes
Totals:	$735.18	$735.18	

3 IN-LIEU OF PROPERTY TAXES OBJECT 8096

This section applies only to LEAs with sponsoring charter schools and/or County Office of Education (COE) charter schools where the district of residence is responsible for distributing in lieu property tax.

Charter schools receive in-lieu property taxes from the sponsoring LEA. For COE charter schools, the district of residence LEA is responsible for providing the in-lieu property taxes.

(3) SCHOOL DISTRICT DATA ELEMENTS REQUIR			.CFF
c) PROPERTY TAXES			
C-1	Estimated Property Taxes (excluding RDA)	1	$ 14,255,665
B-5	Redevelopment Agency Local Revenue	2	$ 2,469,301
	Less In-Lieu Property Tax Transfer	3	$ (614,599
	Total Local Revenue	4	$ 16,110,367

LEAs with charter schools must either:

- Complete a journal entry and transfer request in the closing year for charter schools reported within Fund 09, or
- Record a liability (or receivable) for any in-lieu property taxes due to charter schools not reported within Fund 09, district of residence.

Use Object 809600, Transfer to Charter Schools in Lieu of Property Taxes, for both sides of the transactions.

*See the end of Section 2 for In-Lieu Property Tax Reconciliation.

(d) OTHER LCFF ADJUSTMENTS
Usually Prepopulated with no action required – remain editable.

(d) OTHER LCFF ADJUSTMENTS		
If applicable, enter adjustments for special legislation, instructional time penalties, and class size penalties populated from t		
H-2	Miscellaneous Adjustments	$ -
J-5	Minimum State Aid Adjustments	$ -

(e) UNDUPLICATED PUPIL PERCENTAGE

Using the CDE 2025-26 June Certified Funding Exhibits, enter the current year enrollment information by line item, verify the Unduplicated Pupil Percentage (UPP), and confirm that any prior year corrections are accurately reflected.

School District Unduplicated Pupil Percentage

VERIFY PRIOR YEARS

ENROLLMENT [EC 42238.02(b)]		Second Prior Year	Prior Year	Current Year	Total
CALPADS Enrollment	A-1	3,322	3,226	1 3,206	9,754
CALPADS Enrollment for District Funded County Program Students (do not meet EC 2574(c)(4)(A) or (B))	A-2	20	30	2 29	79
Audit Adjustment to CALPADS Enrollment, Line A-1 (Annual only)	A-3	0	0	0	[illegible]
Audit Adjustment to CALPADS Enrollment for District Funded County Program Students, Line A-2 (Annual only)	A-4	0	0	0	[illegible]
Adjusted Enrollment (Sum of A-1 through A-4)	A-5				9[illegible]
UNDUPLICATED PUPIL COUNT [EC 42238.02(b)]					
CALPADS Unduplicated Pupil Count	B-1	3,210	3,065	3 3,095	9[illegible]
CALPADS Unduplicated Pupil Count for District Funded County Program Students (do not meet EC 2574(c)(4)(A) or (B))	B-2	16	29	4 29	[illegible]
Audit Adjustment to CALPADS Unduplicated Pupil Count, Line B-1 (Annual only)	B-3	-11	0	0	-11
Audit Adjustment to CALPADS Unduplicated Pupil Count for District Funded County Program Students, Line B-2 (Annual only)	B-4	0	0	0	0
Adjusted Unduplicated Pupil Count (Sum of B-1 through B-4)	B-5				9,433
UNDUPLICATED PUPIL PERCENTAGE [EC 42238.02(b)(5)] (B-5 / A-5)	C-1			5	0.9593

(3) SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE TH

(e) UNDUPLICATED PUPIL PERCENTAGE			
A-1 / A-3	**District Enrollment**	1	3,206
A-2 / A-4	**COE Enrollment**	2	29
	Total Enrollment		3,235
B-1 / B-3	**District Unduplicated Pupil Count**	3	3,095
B-2 / B-4	**COE Unduplicated Pupil Count**	4	29
	Total Unduplicated Pupil Count		3,124
	Single Year Unduplicated Pupil Percentage		96.57%
C-1	Unduplicated Pupil Percentage (%) - 3 Year Rolli	5	95.93%

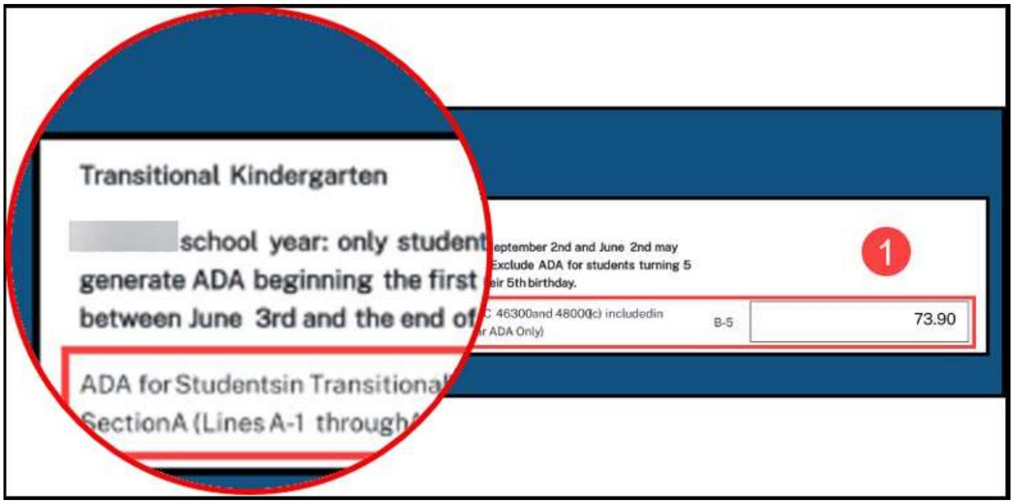
(f) AVERAGE DAILY ATTENDANCE (ADA)

Complete the ADA section of the calculator using the **2025-26 P2 PADC Reports**. If any ADA corrections have been made, use the **2025-26 P2 Corrections** or **any prior-year corrections made in the current year** by **overwriting the prepopulated amounts** in the calculator.

1) Enter 2025-26 P2 TK from PADC Report.
2) Enter 2025-26 P2 ADA from PADC Report A-1 and 2025-26 Annual A-2 from PADC Report A-2
3) Enter 2025-26 Annual ADA from PADC Report A-3 through A-5
4) Enter 2025-26 County Operated Programs ADA using COE 2025-26 P2/Annual ADA

(3) SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE TH			
(f) AVERAGE DAILY ATTENDANCE (ADA)			
ADA used for the Transitional Kindergarten Add-on ONLY:			
G-10	TK (Commencing in 2022-23)	1	73.90
ADA used for Base, Supplemental and Concentration Grant Calculations: Enter ADA by grade span. The calculator will determine the most advantageous funding o			
	Current Year ADA: (P-2, Necessary Small Schools, Annual for Sp		
B-1, D-5	Grades TK-3	2	888.88
	Grades 4-6		695.20
	Grades 7-8		520.53
	Grades 9-12		872.08
	TOTAL CURRENT YEAR ADA		2,976.69
	Nonpublic School, NPS-Licensed Children Institutions, Commun		
D-9, E-1	Grades TK-3	3	-
	Grades 4-6		-
	Grades 7-8		-
	Grades 9-12		-
	TOTAL NPS-CDS (Annual)		-
	District Basic Aid ADA funded outside of the LCFF (Court Ordered, Voluntary Tfr. & Open Enrollment)		-
	DISTRICT TOTAL		2,976.69
	County Operated Programs, e.g. Community School, Special Ed: (		
E-2, E-3	Grades TK-3	4	5.89
	Grades 4-6		10.82
	Grades 7-8		3.51
	Grades 9-12		7.59
	COUNTY TOTAL		27.81
	RATIO: District ADA-to-Enrollment		92.85%
	RATIO: County ADA-to-Enrollment		95.90%

Verify that any prior year ADA corrections are accurately reflected in the calculator.



A-1 P2
A-2 ANNUAL
A-3 ANNUAL
A-4 ANNUAL
A-5 ANNUAL

P2 and ANNUAL ADA REPORTS

Regular ADA		TK/K-3	Grades 4-6	Grades 7-8	Grades 9-12	Total
Regular ADA (includesOpportunityClasses, Home and Hospital, SpecialDay Class, and Continuation Education)	A-1	888.88	695.20	520.53	872.08	2,976.69
ExtendedYear SpecialEducation[EC 56345(b)(3)] (Divisor 175)	A-2	0.00	0.00	0.00	0.00	0.00
SpecialEducation - Nonpublic NonsectarianSchools [EC 56366(a)(7)] and/or Nonpublic Nonsectarian Schools - LicensedChildrensInstitutions	A-3	0.00	0.00	0.00	0.00	0.00
ExtendedYear SpecialEducation - Nonpublic NonsectarianSchools [EC 56366(a)(7)] and/or Nonpublic NonsectarianSchools - LicensedChildrensInstitutions(Divisor 175)	A-4	0.00	0.00	0.00	0.00	0.00
CommunityDay School [EC 48660] (Divisor 70/135/180)	A-5	0.00	0.00	0.00	0.00	0.00
ADA Totals (Sum of A-1 through A-5)	A-6	888.88	695.20	520.53	872.08	2,976.69

2

3

ATTENDANCE DISTRICT FUNDED COUNTY PROGRAMS

P-2 ATTENDANCE BY GRADE SPAN

	TK-3	4 - 6	7 - 8	9 - 12	TOTAL
SAMPLE UNIFIED					
Community Schools	0.00	0.00	0.00	0.00	0.00
Spec Ed Special Day Class	4.49	10.24	3.30	6.84	24.87
Spec Ed ESY	1.40	0.58	0.21	0.75	2.94
Total	5.89	10.82	3.51	7.59	27.81

4

ATTENDANCE DISTRICT FUNDED COUNTY PROGRAMS

ANNUAL ATTENDANCE BY GRADE SPAN

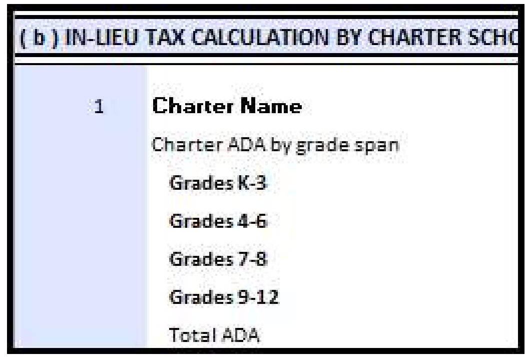
	TK-3	4 - 6	7 - 8	9 - 12	TOTAL
SAMPLE UNIFIED					
Community Schools	0.00	0.00	0.00	0.00	0.00
Spec Ed Special Day Class	4.38	10.40	3.45	6.49	24.72
Spec Ed ESY	1.40	0.58	0.21	0.75	2.94
Total	5.78	10.98	3.66	7.24	27.66

4

(5) IN-LIEU OF PROPERTY TAX CALCULATION FOR CHARTER SCHOOLS

For LEAs with Charter Schools, complete the In-Lieu of Property Tax Calculation.

If the Charter is not in Fund 0900, obtain a copy of the charter school's 20XX-XX PADC P2 ADA Report.



Enter the information for each charter school. The Summary tab of LCFF Calculator will reflect the total in-lieu property tax amount, if applicable.

Refer to In Lieu Property Tax Reconciliation at the end of this section.

Review prior year data and overwrite prepopulated entries with any corrections not yet reflected in the LCFF Calculator.

The calculator is now completed.

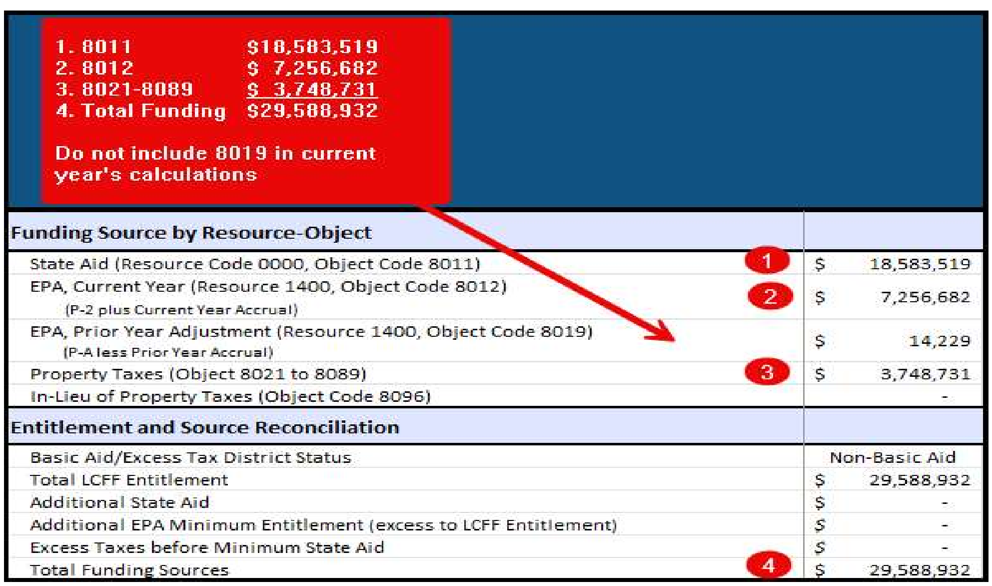
Summary Tab

The **Funding Source by Resource-Object** section provides a detailed breakdown of revenue sources used to fund the LEA's LCFF entitlement, including:

- **State Aid**
- **Education Protection Account (EPA)**
- **Property Taxes**
- **In-Lieu of Property Taxes** (if applicable)

Review the **Funding Sources by Resource-Object section** to verify that all revenue components appear reasonable and agree with the supporting calculations entered throughout the LCFF Calculator.

The corresponding Total Funding Sources are displayed in the Entitlement and Source Reconciliation section. Review the **Entitlement and Source Reconciliation section** to ensure funding sources reconcile to the calculated LCFF entitlement and investigate any significant variances.



STATE AID OBJECT 8011

Enter the State Aid amounts (Object 8011) into Everest. You may track this funding using one of the following two methods:

Funding Source by Resource-Object	
State Aid (Resource Code 0000, Object Code 8011)	$ 18,583,519
EPA, Current Year (Resource 1400, Object Code 8012) (P-2 plus Current Year Accrual)	$ 7,256,682
EPA, Prior Year Adjustment (Resource 1400, Object Code 8019) (P-A less Prior Year Accrual)	$ 14,229
Property Taxes (Object 8021 to 8089)	$ 3,748,731
In-Lieu of Property Taxes (Object Code 8096)	-

Option 1: Budget by Resource

The LEA may enter separate budget lines for each resource under Object 8011.

- The **total across all resources** for Object 8011 must equal the **total State Aid allocation**.
- Deduct each specified unrestricted resource amount from **Resource 00000 / Object 801100**.
- For example, if the LEA was allocated **$18,982,248**, each resource should be budgeted according to the **LCFF Calculator – Summary Tab**.
- The total of all 8011 entries in Everest (**0100-0*****-801100**) should match the **total LCFF funding**.

Funding Source by Resource-Object	
State Aid (Resource Code 0000, Object Code 8011)	$ 18,583,519

????-?????-?-????-????-8011??-

	Account Code	Current Working
1	0100-00000-0-0000-0000-801100-000	$12,177,602.00
2	0100-07140-0-0000-0000-801100-000	$35,400.00
3	0100-07140-0-0000-0000-801100-085	$18,600.00
4	0100-07140-0-0000-0000-801100-090	$58,262.00
5	0100-07230-0-0000-0000-801100-000	$323,012.00
6	0100-07271-0-0000-0000-801100-000	$3,500.00
7	0100-09000-0-0000-0000-801100-000	$3,826,895.08
8	0100-09000-0-0000-0000-801100-060	$197,429.37
9	0100-09000-0-0000-0000-801100-070	$236,287.54
10	0100-09000-0-0000-0000-801100-080	$165,325.51
11	0100-09000-0-0000-0000-801100-081	$3,460.00
12	0100-09000-0-0000-0000-801100-082	$62,812.08
13	0100-09000-0-0000-0000-801100-085	$369,858.70
14	0100-09000-0-0000-0000-801100-090	$498,831.72
15	0100-09300-0-0000-0000-801100-000	$606,243.00

8011 Total Funding is distributed by Resource/Object 8011. The Working Total agrees to District's LCFF Calculator

Working Total: $18,583,519.00

IMPORTANT: Ensure the **combined total for Object 8011 across all resources does not exceed the LCFF entitlement**.

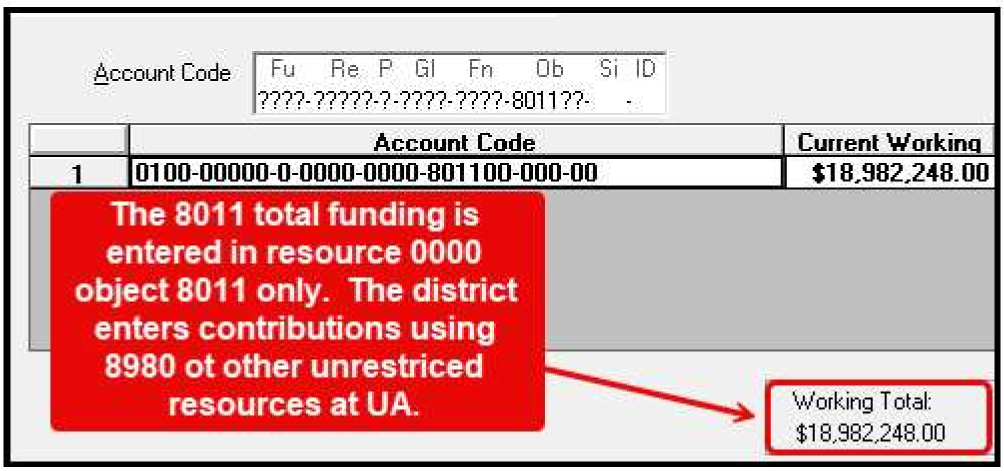
Option 2: Year End Contribution

If the LEA has expenditures in unrestricted resources and needs to close those resources at year end:

- Record a **contribution journal entry** by:
  - **Debiting**: Resource 00000 (Unrestricted), Object 898000
  - **Crediting**: The applicable restricted resource (e.g., Resource 07230 – Home-to-School Transportation), Object 898000

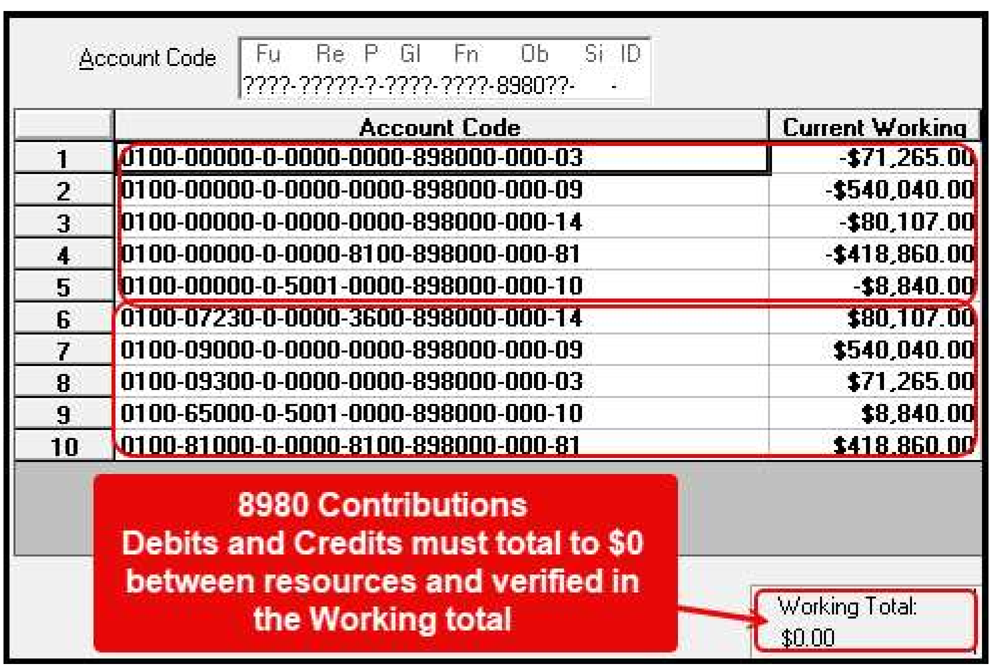
Note: The **net balance** for **Object 898000** in actuals should be **zero** after contributions are recorded.

Components of LCFF By Object Code	
State Aid (Object Code 8011)	$ 18,982,248



Account Code: Fu Re P Gl Fn Ob Si ID — ????-?????-?-????-????-8011??- -

	Account Code	Current Working
1	0100-00000-0-0000-0000-801100-000-00	$18,982,248.00



Account Code: Fu Re P Gl Fn Ob Si ID — ????-?????-?-????-????-8980??- -

	Account Code	Current Working
1	0100-00000-0-0000-0000-898000-000-03	-$71,265.00
2	0100-00000-0-0000-0000-898000-000-09	-$540,040.00
3	0100-00000-0-0000-0000-898000-000-14	-$80,107.00
4	0100-00000-0-0000-8100-898000-000-81	-$418,860.00
5	0100-00000-0-5001-0000-898000-000-10	-$8,840.00
6	0100-07230-0-0000-3600-898000-000-14	$80,107.00
7	0100-09000-0-0000-0000-898000-000-09	$540,040.00
8	0100-09300-0-0000-0000-898000-000-03	$71,265.00
9	0100-65000-0-5001-0000-898000-000-10	$8,840.00
10	0100-81000-0-0000-8100-898000-000-81	$418,860.00

Education Protection Account (EPA) – Resource 1400 / Object 8012

The Education Protection Account (EPA) provides general purpose state aid funding to LEAs and is included as a component of the LEA's total LCFF entitlement through the Principal Apportionment.

- Apportionment Schedule: Payments are issued quarterly in September, December, March, and June.
- Accounting Codes:
  - Resource: 1400 – Education Protection Account
  - Object: 8012 – Revenue from EPA

For Charter Schools:

Charter schools reporting financial data using the **Alternative Form** (which does not utilize resource codes) should still record the EPA entitlement using **Object 8012**.

Restrictions:

- **Indirect costs** may **not** be charged to EPA funds.
- **No contributions** from other resources may be made **to Resource 1400**.
- EPA funds may only be used for **eligible SACS Functions**. Refer to the **EPA SACS Function Guidance** for allowable uses.

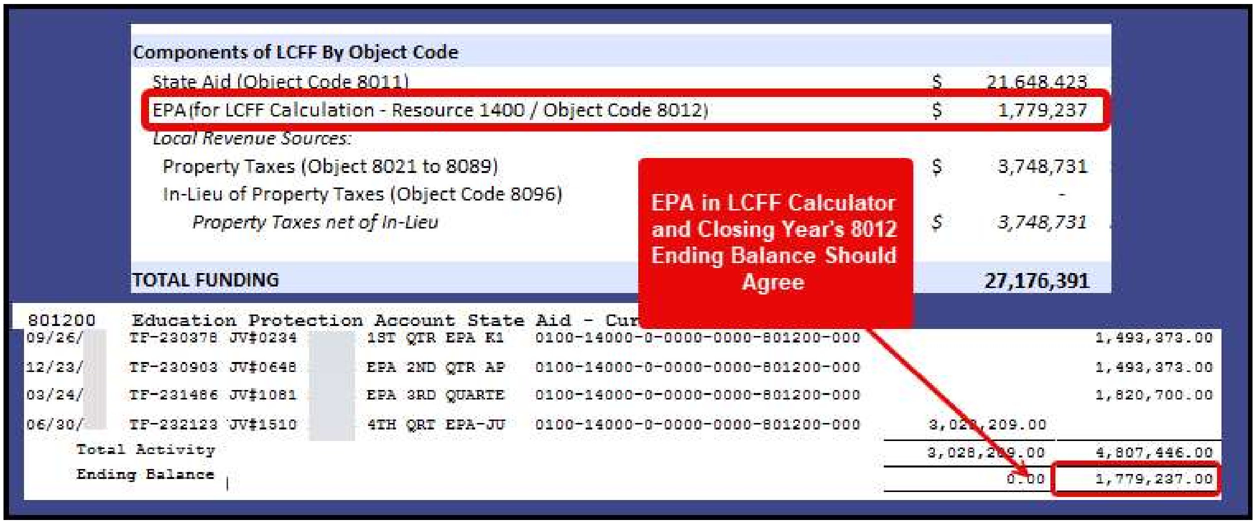
Year End Review Procedures

- Verify the **EPA Percentage Factor** in the LCFF Calculator agrees with the **current CDE EPA Factor Letter**.
- Verify the **EPA entitlement** calculated in the LCFF Calculator agrees to Resource 1400 / Object 8012 in the General Ledger.
- Review **EPA expenditures** to ensure costs are recorded in allowable SACS functions.
- Verify sufficient **eligible expenditures** have been recorded to support EPA revenue received.

References:

- Eligible SACS function: SACS Functions for which EPA Funds may and may not be used
- Frequently Asked Questions: EPA Frequently Asked Questions
- FAQ: Standardized Account Code Structure (SACS) Accounting

After verifying the EPA factor and entering it in the **LCFF Calculator**, ensure the calculated EPA amount matches the **LEA's General Ledger**, recorded under **Resource 1400 / Object 8012**.



Components of LCFF By Object Code		
State Aid (Object Code 8011)	$	21,648,423
EPA (for LCFF Calculation - Resource 1400 / Object Code 8012)	$	1,779,237
Local Revenue Sources:		
Property Taxes (Object 8021 to 8089)	$	3,748,731
In-Lieu of Property Taxes (Object Code 8096)		-
Property Taxes net of In-Lieu	$	3,748,731
TOTAL FUNDING		27,176,391

801200	Education Protection Account State Aid - Cur				
09/26/	TF-230378 JV#0234	1ST QTR EPA K1	0100-14000-0-0000-0000-801200-000		1,493,373.00
12/23/	TF-230903 JV#0648	EPA 2ND QTR AP	0100-14000-0-0000-0000-801200-000		1,493,373.00
03/24/	TF-231486 JV#1081	EPA 3RD QUARTE	0100-14000-0-0000-0000-801200-000		1,820,700.00
06/30/	TF-232123 JV#1510	4TH QRT EPA-JU	0100-14000-0-0000-0000-801200-000	3,02[illegible],209.00	
	Total Activity			3,028,2[illegible]9.00	4,807,446.00
	Ending Balance			0.00	1,779,237.00

4th Quarter EPA and Prior Year Adjustments

The 4th Quarter (June) EPA transfer includes both the current year apportionment and all prior year annual adjustments.

- **Prior Year Adjustments** are posted by **FCSS** on behalf of the LEA using: Fund 0100 / Resource 14000 / Object 801900
- These adjustments are included within the same transfer as the 4th Quarter EPA.
- LEAs should not create journal entries for prior year EPA adjustments posted by FCSS on behalf of the LEA in Resource 1400 / Object 8019.

Expenditure and Carryover Guidance:

- LEAs are expected to expend EPA funds each year.
- Unused EPA balances may be carried forward to subsequent fiscal years.

Reclassification Recommendations:

- For large salary and benefit expenditures, use the PDC (Payroll Distribution Correction) module in Everest whenever possible.
- Alternatively, LEAs may use a standard journal entry to reclassify salaries and benefits to EPA (Resource 14000).
- EPA is commonly applied to salaries and benefits; however, other eligible expenditures recorded in allowable SACS functions may also be reclassified to Resource 1400 when appropriate. Refer to the EPA SACS Function Guidance when determining allowable expenditures.

Deferred Apportionments and Year-End LCFF Accruals

There are two primary scenarios in which LCFF revenue must be accrued to ensure accurate recognition in the appropriate fiscal year:

1. **State-Deferred Apportionments**
   When the State delays scheduled LCFF payments (i.e., deferrals), LEAs are still required to recognize the revenue in the year it was earned, not when cash is received. These amounts should be recorded as accounts receivable at year end in accordance with Generally Accepted Accounting Principles (GAAP).

2. **Year-End Accruals to Finalize LCFF Entitlement**
   At fiscal year-end close, LEAs must reconcile and adjust LCFF revenue to match the final Principal Apportionment, which may differ from previously booked amounts. This ensures financial statements accurately reflect the total LCFF entitlement for the year.

Refer to the California School Accounting Manual (CSAM) for detailed accounting guidance and appropriate SACS Object codes related to these accruals.

Closing Year Principal Apportionment Deferrals

The State is expected to implement Transitional Kindergarten through Grade 12 (TK-12) Principal Apportionment deferrals that postpone a portion of a scheduled state aid payment from the closing fiscal year to the subsequent fiscal year. Although cash is received in a later fiscal year, the revenue must be recognized in the fiscal year in which it was earned in accordance with generally accepted accounting principles (GAAP).

Refer to the current year Principal Apportionment Payment Schedule and applicable CDE guidance to determine whether any state aid deferrals exist for the closing year.

2025-26 Principal Apportionment Deferral

The State has implemented a TK-12 Principal Apportionment deferral for the 2025-26 fiscal year. A portion of the June 2026 state aid payment will be deferred and repaid in July 2026. EPA payments are not subject to deferral.

Deferral Month	Deferral Amount	Repayment Month	Authority
June 2026	**$1,874,781,000**	**July 2026**	**EC Section 14041.6**

EPA payments **are not subject** to Principal Apportionment deferrals and will continue to be issued quarterly throughout the fiscal year.

https://www.cde.ca.gov/fg/aa/pa/papayschedule.asp

(1) RECONCILING THE JUNE 2026 STATE-DEFERRED APPORTIONMENT

To ensure accurate year-end reporting of the June 2026 Principal Apportionment deferral, LEAs should complete the reconciliation process below. This ensures compliance with Generally Accepted Accounting Principles (GAAP) and proper recognition of state aid revenue across fiscal years.

Due to the increased EPA funding factor in 2025-26, some LEAs may identify a State Aid liability rather than the traditional deferred State Aid receivable. Review the Principal Apportionment payment detail, LCFF Calculator, EPA entitlement, and General Ledger activity in Object 8011 before recording the year-end accrual.

The steps below provide guidance for reconciling the June 2026 state deferred apportionment. Depending on the LEA's apportionment activity, the year-end entry may result in either a liability or receivable.

Year-End Reconciliation Steps:

1. **Run the General Ledger in Everest 2027**
    - Log into **Everest 2027** and generate a July 2026 General Ledger report for Fund 01, Object 8011 – LCFF State Aid – Current Year.
    - Identify the transfer amount credited in July that corresponds to the June 2026 deferred apportionment.
2. **Determine Whether the LEA Has a Liability (Debit) or Receivable (Credit)**
    - Log into **Everest 2026**
    - If the July 2026 Object 8011 transfer appears as a **debit** in the General Ledger**, record a liability** in the closing year for the amount identified in Step 1 using the Liability Module in Everest.
    - If the July 2026 Object 8011 transfer appears as a **credit** in the General Ledger, **record accounts receivable** in the closing year for the amount identified in Step 1 using the Accounts Receivable Module in Everest.

    Debit in Object 8011 → Liability Module
    Credit in Object 8011 → Accounts Receivable Module

3. **Manually Close the AR or LB in Everest 2027**
    - In **Everest 2027**, manually close the AR or LB created in Step 2.
    - The system will automatically post this as a debit or credit to Object 8019 – LCFF State Aid – Prior Years.
4. **Reclassify Revenue via Journal Entry in Everest 2027**
    - Remain in **Everest 2027**, create a Journal Entry to reclassify the transfer from Object 8011 to Object 8019.
        - **Debit or Credit Object 8011 (opposite of the original transfer)**
        - **Debit or Credit Object 8019 (LCFF State Aid – Prior Years)**

Note: Complete all four applicable steps **during the same processing session** to ensure the deferred apportionment is accurately reflected in the closing fiscal year and the subsequent year apportionment is properly classified.

Example: The example below reflects a July 2026 transfer recorded as a debit in Object 8011; therefore, record a liability in the closing year. If the July 2026 transfer appears as a credit in Object 8011, follow the same procedures by recording an accounts receivable and reverse the debit and credit entries illustrated in each step.

CURRENT YEAR GL

Date	Reference	Vend#	Description	Doc#	Fu---Re----Y-Gl---Fn---Ob-----Si--Dp	Debit	Credit
801100	**Local Control Funding Formula State Aid - Cur**						
07/18	TF-2 0016		JV#1001 2 -2 STATE AID-JUNE		0100-00000-0-0000-0000-801100-000-0000	1 605,611.00	
08/05	JE-2 0047		JUNERECLASS2		0100-00000-0-0000-0000-801100-000-0000		4 605,611.00
801900	**LCFF State Aid - Prior Years**						
08/05	JE-2 0047		JUNERECLASS2		0100-00000-0-0000-0000-801900-000-0000	4 605,611.00	
08/05	LB-2 0086	4800	Close Liability		0100-00000-0-0000-0000-801900-000-0000		3 605,611.00

CLOSING YEAR GL

Date	Reference	Vend#	Description	Doc#	Fu---Re----Y-Gl---Fn---Ob-----Si--Dp	Debit	Credit
801100	**Local Control Funding Formula State Aid - Cur**						
06/30	LB-2 0086	4800	State of California		0100-00000-0-0000-0000-801100-000-0000	605,611.00 2	

(2) FINAL YEAR-END ACCRUALS to FINALIZE LCFF ENTITLEMENT

To reconcile LCFF State Aid and EPA at year-end:

1. **Update the LCFF Calculator** by entering the following key figures:
   - LCFF Entitlement
   - Property Taxes
   - Charter In-Lieu Taxes
   - EPA Allocation
2. **Run a General Ledger** for the closing fiscal year and identify the total revenue recorded under:
   - **State Aid** (Object 8011)
   - **EPA** (Object 8012)
3. **Reconcile State Aid (Object 8011):**
   - If the **State Aid amount received exceeds the calculated State Aid entitlement**, record a **Liability (LB)** by *debiting Object 8011* in the closing year. This entry will reverse as a *credit in Object 8019* in the subsequent year and offset the debit balance forward from the liability accrual.
   - If the **State Aid entitlement exceeds the amount received**, create an **Accounts Receivable (AR)** by *crediting Object 8011* in the closing year. This entry will reverse as a *debit in Object 8019* in the subsequent year and offset the credit balance forward resulting from the accounts receivable accrual.

4. **Reconcile EPA (Object 8012/Resource 1400):**
    - If the **EPA entitlement exceeds the amount received**, create an **Accounts Receivable (AR**) by crediting Object 8012 / Resource 1400 in the closing year. This entry will reverse as a debit to Object 8012 / Resource 1400 in the subsequent fiscal year and offset the credit balance forward resulting from the accounts receivable accrual. After the receivable is cleared, create a Journal Entry to reclassify the amount from Object 8012 to Object 8019 within Resource 1400 so the adjustment is reported as prior-year EPA revenue.
    - If the **EPA amount received exceeds the calculated EPA entitlement**, record a **Liability (LB)** by debiting Object 8012 / Resource 1400 in the closing year. This entry will reverse as a credit to Object 8012 / Resource 1400 in the subsequent fiscal year. After the liability is cleared, create a Journal Entry to reclassify the amount from Object 8012 to Object 8019 within Resource 1400 so the adjustment is reported as prior-year EPA revenue.

Important: Do not make journal entries directly to Object 8012 / Resource 1400 to adjust quarterly EPA apportionment transfers. Quarterly EPA payments and annual EPA adjustments are processed by FCSS on behalf of the LEA.

The only time an LEA should post an entry affecting Object 8012 / Resource 1400 is when recording the final year-end accrual based on the updated LCFF Calculator and the calculated EPA entitlement.

Calculate Adjustments: Compare what was owed vs received

Items 1–5: Enter LCFF Calculator Data

1. Update the LCFF Calculator for the closing fiscal year.
2. From the Summary Tab, enter the following into the reconciliation worksheet:
   Item 1: Total LCFF Entitlement
   Item 2: Annual Property Taxes (including miscellaneous In-Lieu)
   Item 3: Less: Charter In-Lieu Property Taxes (negative value)
   Item 4: EPA – Current Year
   Item 5: State Aid Owed
   Total State Owed = Total LCFF Entitlement - Annual Property Tax - In Lieu Property Tax - EPA

Items 6-7: Reconcile to the General Ledger

3. In Everest, run the closing year general ledger for objects 8011 (State Aid) and 8012 (EPA).
4. Add up all monthly transfers for each object code:
   Item 6: Total amount received for State Aid (8011)
   Item 7: Total amount received for EPA (8012)

Tip: Most Type 1 LEAs have 12 months of transfers. Type 2 districts typically have 10 months.

Closing Yr State Aid and EPA Year-End Adjustments

ITEM			
1	$ 131,648,749	Total Closing Year LCFF Entitlement	
2	$ 14,490,482	Annual Propery Tax, including misc in lieu	
3	$ (556,883)	Less: Charter School In-Lieu Property Taxes	
4	$ 7,757,306	EPA, Current Year	
	$ 109,957,844	Total State Aid Owed [Total CY LCFF Funding - (Annual taxes - Charter In-lieu taxes) - EPA]	
5	$ 110,359,446	State Aid Received *(GL object 8011)*	
	$ (401,602)	**State Aid Adjustment**	**LB (Debit) to Object 8011 in closing year**
			LB will reverse (Credit) in Object 8019 in current year
	$ 7,757,306	EPA Owed (based on the LCFF calc)	
6	$ 7,696,728	EPA Received (GL object 8012)	
	$ 60,578	**EPA Adjustment**	**AR (Credit) to Obj 8012/Res 14000 in closing year**
			AR will reverse (Debit) in Obj 8012/Res 14000 in current year
		***Create a JE in Current Year to move Res 1400 from Object 8012 to 8019**	

	Owed	Received	Reconciliation Adjustment	
State Aid (8011)	$ 109,957,844	$ 110,359,446	$ (401,602)	**LB (Debit) to Object 8011 in closing year**
EPA (8012)	$ 7,757,306	$ 7,696,728	$ 60,578	**AR (Credit) to Obj 8012/Res 14000 in closing year**
Local Revenue	$ 14,490,482	$ 14,490,482	$ -	
Totals	$ 132,205,632	$ 132,546,656	$ (341,024)	
		$132,205,632		

(Template Available from DFS upon Request)

Closing Year LCFF Calculator

LCFF Sources Summary			
Funding Source Summary			
Local Revenue and In-Lieu of Property Taxes *(net for school districts)*		$	*13,933,599*
Education Protection Account Entitlement *(includes $200/mi*		$	7,757,306
Net State Aid *(excludes Additional State Aid)*		$	109,957,844
Additional State Aid		$	-
Total Funding Sources	1	**$**	**131,648,749**
Funding Source by Resource-Object			
State Aid (Resource Code 0000, Object Code 8011)	5	$	109,957,844
EPA, Current Year (Resource 1400, Object Code 8012) (P-2 plus Current Year Accrual)	4	$	7,757,306
EPA, Prior Year Adjustment (Resource 1400, Object Code 8019) (P-A less Prior Year Accrual)		$	1,183,814
Property Taxes (Object 8021 to 8089)	2	$	14,490,482
% Change			
In-Lieu of Property Taxes (Object Code 8096)	3		(556,883)

8011/8012 General Ledger

Fund: 0100 General Fund

Date	Reference	Vend#	Description	Doc#	Fu---Re----Y-Gl---Fn---Ob-----Si--L1-DP	Debit	Credit
801100	**Local Control Funding Formula State Aid - Cur**						
07/27/22	TF-230137		JV#0037 22-23 ADV PRIN APPOR		0100-00000-0-0000-0000-801100-000-00-0000		4,722,875.00
08/29/22	TF-230285		JV#0168 22-23 ADV PRIN APPOR		0100-00000-0-0000-0000-801100-000-00-0000		4,722,875.00
09/28/22	TF-230391		JV#0259 22-23 ADV PRIN APPOR		0100-00000-0-0000-0000-801100-000-00-0000		8,501,175.00
10/27/22	TF-230567		JV#0399 22-23 ADV PRIN APPOR		0100-00000-0-0000-0000-801100-000-00-0000		8,501,175.00
11/28/22	TF-230759		JV#0534 22-23 ADV PRIN APPRT		0100-00000-0-0000-0000-801100-000-00-0000		8,501,175.00
12/28/22	TF-230892		JV#0639 22-23 ADV PRIN APPRT		0100-00000-0-0000-0000-801100-000-00-0000		8,501,175.00
01/27/23	TF-231134		JV#0811 22-23 ADV PRIN APPRT		0100-00000-0-0000-0000-801100-000-00-0000		8,501,175.00
02/28/23	TF-231359		JV#0984 22-23 FIRST PRIN APP		0100-00000-0-0000-0000-801100-000-00		7,728,898.00
03/28/23	TF-231472		JV#1070 22-23 STATE AID-MARC		0100-00000-0-0000-0000-801100-000-00-0000		7,728,898.00
04/26/23	TF-231666		JV#1235 22-23 STATE AID - AP		0100-00000-0-0000-0000-801100-000-00-0000		7,728,898.00
05/26/23	TF-231871		JV#1387 22-23 STATE AID-MAY		0100-00000-0-0000-0000-801100-000-00-0000		7,728,898.00
06/30/23	TF-232028		JV#1509 22-23 STATE AID-JUNE		0100-00000-0-0000-0000-801100-000-00-0000		27,492,229.00
	Total Activity					6	110,359,446.00
801200	**Education Protection Account State Aid - Curr**						
09/26/22	TF-230378		JV#0234 22-23 1ST QTR EPA K1		0100-14000-0-0000-0000-801200-000-00-0000		6,466,718.00
12/23/22	TF-230903		JV#0648 22-23 EPA 2ND QTR AP		0100-14000-0-0000-0000-801200-000-00-0000		6,466,719.00
03/24/23	TF-231486		JV#1081 22-23 EPA 3RD QUARTE		0100-14000-0-0000-0000-801200-000-00-0000		8,371,991.00
06/30/23	TF-232123		JV#1510 22-23 4TH QRT EPA-JU		0100-14000-0-0000-0000-801200-000-00-0000	13,608,700.00	
	Total Activity					13,608,700.00	21,305,428.00
	Ending Balance					0. 7	7,696,728.00

IN-LIEU PROPERTY TAXES – YEAR-END RECONCILIATION

Year End Entry – Estimated (Late June/Early July)

STEP 1: Open the previously downloaded In-Lieu Property Tax Calculator from the CDE.

STEP 2: Gather the closing year's P-2 Certified Principal Apportionment Funding Exhibit(s) from the CDE. The P-2 apportionment data is certified by CDE in June of the closing year.

Example: Use 2022–23 exhibits for FY 2022–23 reconciliation.

IN-LIEU PROPERTY TAXES – YEAR-END RECONCILIATION

Home » Finance & Grants » Allocations & Apportionments » Principal Apportionment

Second Principal Apportionment (P-2)
Fiscal Year 2022-23

Period:	2022-23 P-2
Entity:	Charter School
Program:	Charter School LCFF Calculation
County:	Fresno
District:	Kings Canyon Joint Unified
LEA:	Reedley Middle College High

Preview Report

LCFF FUNDING [EC 42238.02(j)]

Local Revenue (In-lieu of Property Taxes) [EC 47632 & 47635]

For Countywide charter schools [EC 47605.6], County Program charter schools [EC 47605.5], or State Board of Education approved charter schools [EC 47605(k)], skip I-1 through I-3; I-4 is from the Local Revenue Detail by District of Residence (LRDDR) exhibit. If Statewide Benefit charter school, skip I-1 through I-4.

Tax per ADA Rate	I-1 $	1,299.34
Current Year Funded ADA (Equals B-5)	I-2	228.19
Base Grant (Equals C-5)	I-3 $	2,599,312
Total In-lieu of Property Taxes (Lesser of (I-1 * I-2) or I-3 or equals G-1 from LRDDR)	I-4 $	296,496
Gross State Aid (H-3 - I-4; if less than 0, I-5 = 0)	I-5 $	3,032,833
Education Protection Account Entitlement	I-6 $	45,638
Net State Aid (I-5 - I-6; if less than 0, I-7 = 0)	I-7 $	2,987,195

STEP 3: Using the ILPT Calculator:

- Enter data for **each charter school** to calculate the **remaining amount due** for the closing year.
- Use **P-2 Apportionment amounts**.

In-lieu of Property Taxes Payment Calculator

Pursuant to *Education Code* (*EC*) sections 47632, 47635 and 47652

Instructions

1. Enter the fiscal year, charter school information, and sponsoring school district name.[1]
2. Enter certified annualized in-lieu of property taxes amounts from the applicable certification period.[2, 3]

Fiscal Year	2022-23
Charter School	Reedley Middle College High
CDS Code	10 62265 0126292
Charter Number	1513
Charter Sponsor[1]	Kings Canyon Joint Unified

Payment Period	Certification	Annualized In-lieu of Property Taxes[2,3]
Advance	Prior Fiscal Year P-2	$ 271,508
1st Special Advance	2022-23 First Charter School Special Advance Apportionment	$ -
2nd Special Advance	2022-23 Second Charter School Special Advance Apportionment	$ -
P-1	2022-23 First Principal (P-1) Apportionment	$ 293,374
P-2	2022-23 Second Principal (P-2) Apportionment	$ 296,496
Annual	2022-23 Annual	
Annual R-1	2022-23 First Annual Recertification (AN R-1)	$ -
Annual R-2	2022-23 Second Annual Recertification (AN R-2)	$ -
Annual R-3[4]	2022-23 Third Annual Recertification (AN R-3)	$ -

Example:

Amount due per CDE: $296,496

Amount paid to date: $270,725

Remaining due: $25,771

STEP 4: Review the **calculation tab** and confirm:

- The total **Paid to Date** matches your district records.
- If there is a remaining balance, proceed to the applicable payment or accrual process described below.

Certification Period	Month	Monthly Payment is Calculated On...	Payment Rate	Annualized Amount	Payment Due	Paid to Date
P-1	June	Balance due (P-1 Total less total paid August through February)	1/6th Balance Due	293,374	22,650	270,725
P-2	July	Balance due (P-2 Total less total paid through June)	Balance Due	296,496	25,771	296,496

STEP 5: Process Payment (See below for Charter/LEA-specific payment scenarios).

Certification Period	Month	Monthly Payment is Calculated On...	Payment Rate	Annualized Amount	Payment Due	Paid to Date
P-1	June	Balance due (P-1 Total less total paid August through February)	1/6th Balance Due	293,374	22,650	270,725
P-2	July	Balance due (P-2 Total less total paid through June)	Balance Due	296,496	25,771	296,496

Sponsored Charter In-Lieu Payment Process (Fund 09xx)

Sponsored charter schools receive their in-lieu property tax payments from the sponsoring LEA via transfers from Fund 0100 to Fund 09xx.

Use Object **8096**** - Transfers to Charter Schools in Lieu of Property Taxes.

Applicable only to sponsored charter schools accounted for in Fund 09xx.

Scenario 1: Before June Transfer Cutoff (Direct Transfers Allowed)

If the payment is processed **before the June cash transfer cutoff**, a **direct cash transfer** can be used.

Direct Transfer Entry

Transfer					
	Fund	**Resource**	**Goal**	**Function**	**Object**
From (Debit)	**0100**	**00000**	**0000**	**0000**	**809600**
To (Credit)	**0900**	**00000**	**0000**	**0000**	**809600**

Scenario 2: After June Transfer Cutoff (Journal Entry + Cash Transfer)

If the payment is processed **after the cutoff**, a **journal entry** is required to book the obligation (due to/from), followed by a **cash transfer** in the new fiscal year.

- **Step 1: Journal Entry (to record obligation)**

Journal Entry					
	Fund	**Resource**	**Goal**	**Function**	**Object**
DEBIT	**0100**	**00000**	**0000**	**0000**	**809600**
CREDIT	**0100**	**00000**	**0000**	**0000**	**961000**
DEBIT	**0900**	**00000**	**0000**	**0000**	**931000**
CREDIT	**0900**	**00000**	**0000**	**0000**	**809600**

- **Step 2: Cash Transfer (in the current year)**

Transfer					
	Fund	**Resource**	**Goal**	**Function**	**Object**
From (Debit)	**0100**	**00000**	**0000**	**0000**	**961000**
To (Credit)	**0900**	**00000**	**0000**	**0000**	**931000**

IMPORTANT: The **total of Object 8096** must **net to zero** between the General Fund (0100) and the Charter Fund (0900). This ensures both sides of the entry are aligned for audit and reporting purposes.

Journal Entry # 220465

Transaction Date: 06/20/2022

Total Debits: $984,920.00
Total Credits: $984,920.00

Closing year Journal Entry for 0900 Charters

Account	Debit	Credit	Description
0100-00000-0-0000-0000-809600-000-00-0000	$492,460.00		21/22 Charter in Lieu Taxes
0100-00000-0-0000-0000-961000-000-00-0000		$492,460.00	21/22 Charter in Lieu Taxes
0900-00000-0-0000-0000-809600-212-00-0000		$271,508.00	21/22 Charter in Lieu Taxes
0900-00000-0-0000-0000-809600-220-00-0000		$220,952.00	21/22 Charter in Lieu Taxes
0900-00000-0-0000-0000-931000-000-00-0000	$492,460.00		21/22 Charter in Lieu Taxes
Totals:	$984,920.00	$984,920.00	

NEW FISCAL YEAR

TRANSFER REQUEST

Please make the following transfer of funds, in the amount of $492,460; this is to move monies from the Fund (0100) to the Fund (0900).

FROM: (DEBIT)
District Fund No: **0100**
Auditor Fund No: **6xxx-60001**
Description of Fund: **GENERAL FUND**
Account Classification:
0100-00000-0-0000-0000-961000 **$492,460.00**

TO: (CREDIT)
District Fund No: **0900**
Auditor Fund No: **6xxx-6xxxx**
Description of Fund: **Charter School Fund**
Account Classification:
0100-000000-0-0000-0000-931000 **$492,460.00**

Remarks:

To Transfer Cash for In Lieu Property Tax, Year End Close

Charter In-Lieu Payment Process (AP Process)

For charter schools not accounted for in Fund 09xx, including those sponsored by a County Office of Education (COE), in-lieu property tax payments are issued by the district of residence through the accounts payable process using Object 8096.

Payments should follow the monthly distribution schedule outlined in Education Code 47635.

At year-end, record a liability for any remaining in-lieu property tax amount owed to each charter school as of June 30.

Year-End Accrual – Estimated Final (mid-August)

STEP 1: Refer to your Unaudited Actuals LCFF calculator for the estimated final amount owed to the charter(s) from the District In-Lieu tab. Verify the correct ADA has been entered for each charter school and annual property tax amounts have been updated. On or around August 15th, CDE releases updated estimated Annual Property Taxes information used to estimate the final in-lieu property tax calculation.

Note: Charters MUST be numbered in the data entry tab of the LCFF calculator for the results to be populated into the District In-Lieu Taxes tab.

STEP 2: Process payment for the difference.

In this example, the LEA would make an additional payment to its sponsored charter of $7,923.

Per UA LCFF calculator, amount due to charter $304,419– paid to date $296,496 = remainder due $7,923.

IN-LIEU PROPERTY TAX TRANSFER		
For an authorizing district, in-lieu of property tax is calculated o		
1. Property Taxes per ADA		
2a. Adjusted base revenue per ADA x charter school ADA		
For a district with students in county-operated charter, or a basi		
year annual with students		
in an SBE-approved charter school, in-lieu of property tax is calc		
1. Property taxes per ADA x District of Residence ADA		
2a. Adjusted base revenue per ADA x District of Residence ADA		
To enter your own calculation of In-Lieu use the Alternative Calcu		
		2022-23
Local Property Taxes (w/out RDA)	$	12,668,386
District LCFF ADA		9,077.70
Total Charter LCFF ADA		418.41
Total LCFF ADA		9,496.11
Property Taxes per ADA	$	1,334.06
Funding Method:		
Property Taxes per ADA	$	558,184
LCFF Funding per ADA		-
Alternative Calculation		-
Certified In-Lieu Taxes		-
In-Lieu of Property Tax Transfer Total	**$**	**558,184**
Prior Year Basic Aid Status		*Non-Basic Aid*
1 Kings Canyon Online	$	**185,208**
ADA		**138.83**
1 In-Lieu at Property tax/ADA	$	185,208
2 In-Lieu at LCFF Adj Base grant/ADA	$	1,492,296
2 Reedley Middle College High	$	**304,419**
ADA		**228.19**
1 In-Lieu at Property tax/ADA	$	304,419
2 In-Lieu at LCFF Adj Base grant/ADA	$	2,599,312
3 Hume Lake Charter	$	**68,557**
ADA		**51.39**
1 In-Lieu at Property tax/ADA	$	68,557
2 In-Lieu at LCFF Adj Base grant/ADA	$	527,567

STEP 3: Final Payment Reconciliation

Closing year P-2 Principal Apportionment amounts are used to calculate estimated in-lieu property tax payments during year-end close.

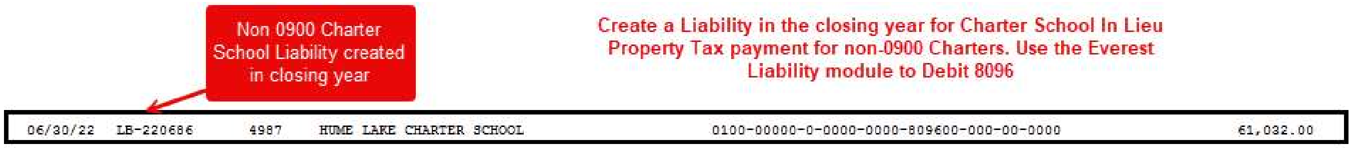
Annual In-Lieu Property Tax exhibits are typically released in February of the subsequent fiscal year (P-1). These exhibits should be used to calculate any prior year adjustment using Object **809619** – Transfers to Charter Schools In Lieu of Property Taxes – Prior Year.

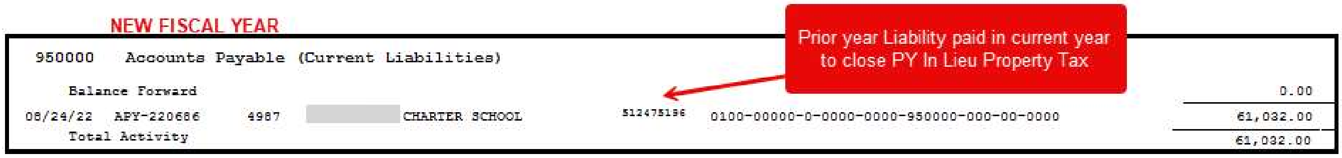
In-Lieu Property Tax amounts become final after the third annual recertification (AN R-3). Refer to the CDE Annual/P-1 Certification exhibits when reconciling prior year adjustments. [CDE's Annual/P-1 Certification]

IN-LIEU OF PROPERTY TAXES – OBJECT 8096

Use **Object 809600 – Transfer to Charter Schools in Lieu of Property Taxes** for both sides of the transaction.

The **August 15 Annual Property Tax Report** provides the estimated final In-Lieu Property Tax amount due to the charter school.





In the following fiscal year, once the **Annual In-Lieu Property Tax Exhibits** are released (typically in **February/P-1**), the apportionment amounts should be used to calculate any **prior year adjustment**.

If additional funds are owed, a payment should be made in the current year using **Object 809619 – Transfers to Charter Schools In Lieu of Property Taxes – Prior Year.**

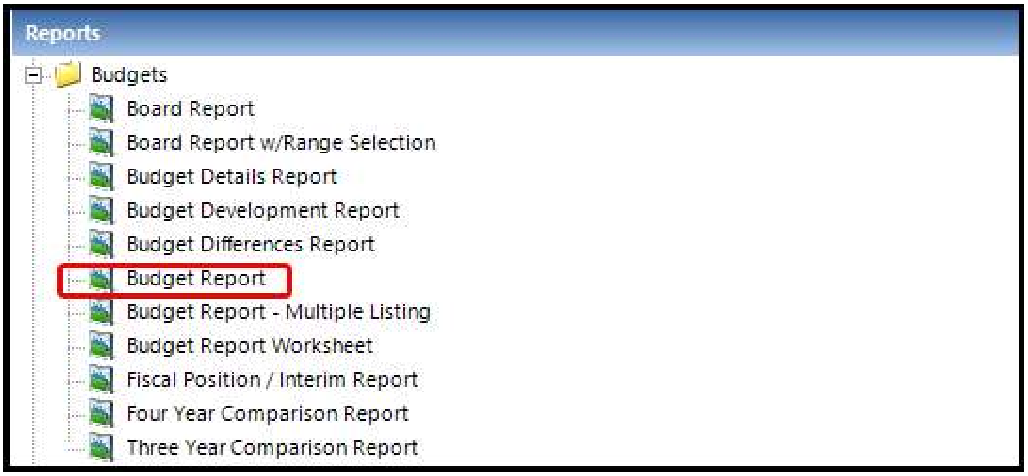
In-Lieu Property Tax amounts become final after the Third Annual Recertification (AN R-3).

SECTION 3: CATEGORICALS

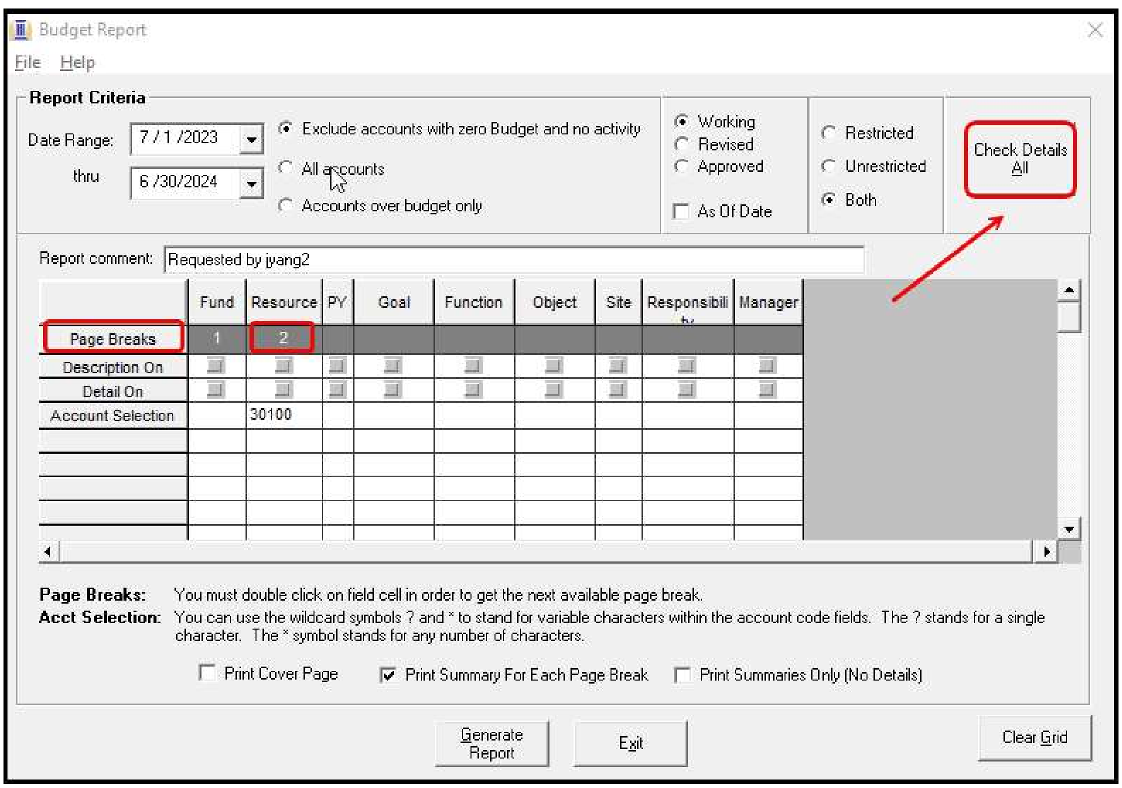
PROCEDURE FOR CLOSING CATEGORICAL RESOURCES

STEP 1: After June 30th, the Everest system defaults to the new fiscal year. Make sure you have logged into the *closing fiscal year* before running the reports to complete this task.

STEP 2: After posting indirect costs and any necessary contributions, run new budget reports from 07/01/20XX through 06/30/20XX by Resource for each categorical Resource.

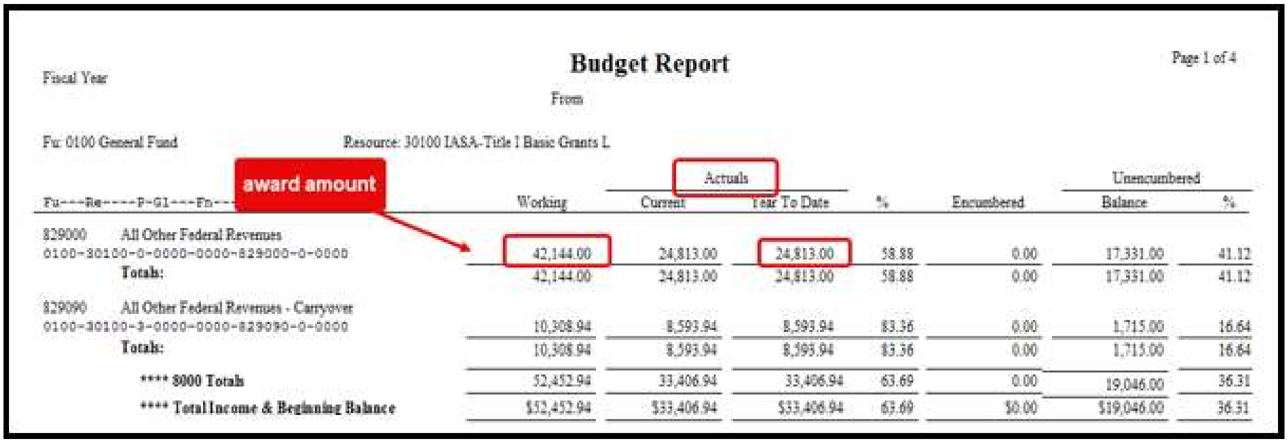


STEP 3: Click on the Check Details All, and sort by Resource by clicking on the page break field.



STEP 4: Review the budget report and focus on the Actuals column. Review grant award notifications or the CDE website to confirm that the award amount was budgeted correctly. The award amount will be entered into the Form CAT.

https://www.cde.ca.gov/fg/aa/ca/



Fu---Re----P-Gl---Fn---	Working	Actuals Current	Actuals Year To Date	%	Encumbered	Unencumbered Balance	%
829000 All Other Federal Revenues 0100-30100-0-0000-0000-829000-0-0000	42,144.00	24,813.00	24,813.00	58.88	0.00	17,331.00	41.12
Totals:	42,144.00	24,813.00	24,813.00	58.88	0.00	17,331.00	41.12
829090 All Other Federal Revenues - Carryover 0100-30100-3-0000-0000-829090-0-0000	10,308.94	8,593.94	8,593.94	83.36	0.00	1,715.00	16.64
Totals:	10,308.94	8,593.94	8,593.94	83.36	0.00	1,715.00	16.64
**** 8000 Totals	52,452.94	33,406.94	33,406.94	63.69	0.00	19,046.00	36.31
**** Total Income & Beginning Balance	$52,452.94	$33,406.94	$33,406.94	63.69	$0.00	$19,046.00	36.31

STEP 5: Run the General Ledger report from 07/01/20XX through 06/30/20XX by Resource for Object 8XXXXX to reconcile revenue received for the current fiscal year.

Note: Include amounts posted in the carryover Object(s) 829090 – Federal Categorical Resources, or 859090 – State Categorical Resources, and unearned revenue Object(s) 829091 – Federal Categorical Resources or 859091 – State Categorical Resources. Confirm these amounts are correct by reviewing the prior year's Form CAT and/or the audit report for any audit adjustments.

Fiscal Year:

DETAILED GENERAL LEDGER

From

Fund: 0100 General Fund

Resource: 30100 IASA-Title I Basic Gr

Date	Reference	Vend#	Description	Doc#	Fu---Re----Y-Gl---Fn---Ob-----Si--Dp	Debit	Credit
829000 All Other Federal Revenues							
09/22/25	TF-260373		JV#1193 25-26 1ST APPT TTL I		0100-30100-0-0000-0000-829000-000-0000		118,344.00
09/26/25	TF-260428		JV#1213 24-25 5TH APPT TTL I		0100-30100-0-0000-0000-829000-000-0000		207,346.00
10/29/25	JE-260049		24-25 Title I		0100-30100-0-0000-0000-829000-000-0000	207,346.00	
12/08/25	TF-260859		JV#1418 25-26 2ND APPT TTL I		0100-30100-0-0000-0000-829000-000-0000		279,335.00
03/27/26	TF-261412		JV#1632 25-26 3RD APPT TTL I		0100-30100-0-0000-0000-829000-000-0000		100,990.00
	Total Activity					207,346.00	706,015.00
	Ending Balance					0.00	498,669.00
829090 All Other Federal Revenues - Carryover							
10/29/25	JE-260049		24-25 Title I		0100-30100-0-0000-0000-829090-000-0000		11,592.94
	Total Activity					0.00	11,592.94
	Ending Balance					0.00	11,592.94

INDIRECT COSTS AND RATES

INDIRECT COSTS

Indirect costs are agency-wide general management costs that are not identifiable with a specific Resource but are necessary for the agency's operation (e.g., costs of accounting, budgeting, payroll preparation, personnel management, purchasing, warehousing, and centralized data processing).

INDIRECT COST RATES

Indirect costs are distributed to programs using the indirect cost rate. The indirect cost rate is the ratio (expressed as a percentage) of the adjusted indirect costs to the direct base costs. A multi-year indirect cost rate is posted online annually at Indirect Cost Rates (ICR).

TWO TYPES OF INDIRECT COSTS

INTRA-FUND INDIRECT COSTS – OBJECT 731000

CSAM DEFINITION: *Record transfers within a fund of indirect costs, as described above. This account must net to zero by function at the fund level.*

When indirect costs are charged to a Resource within the same fund, use function 7210 and Object 731000. The Resource receiving the service is charged, a debit entry, and the Resource providing the service is credited. The total of all Object 731000 must net to zero.

INTER-FUND INDIRECT COSTS – OBJECT 735000

CSAM DEFINITION: *Record transfers between funds of indirect costs, as described above. This account will reflect a balance at the fund level between fund costs; the total between funds debit and credit transactions must net to zero by the Object.*

When indirect costs are charged to Child Nutrition, Child Development, or Adult Education Resource, use function 7210 and Object 735000. The Resource receiving the service is charged, and a debit entry is made; the Resource providing the service is credited. The total of all Objects 735000 must net to zero.

RESOURCES

Further information on Indirect Costs can be found in CSAM Procedures 320, Goal Classification, CSAM Procedure 325, Function/Activity Classification, CSAM Procedures 910, Program Cost Accounting, and CSAM 915, Indirect Cost Rate. The link to the CSAM and CDE:

CSAM, version 2024

Frequently Asked Questions about Indirect Costs

CALCULATION OF INDIRECT COSTS

Indirect costs are expenses that cannot be directly charged (i.e., central business office, custodians, utilities, and maintenance & operations) to a restricted categorical resource.

Allowable rates vary by Resource. Use the state-approved indirect cost rate by district for state and local sources. Federal programs may have limitations on the percentage of indirect costs allowed. Consult the individual Award Letters or EDGAR Title 34 for guidance. Be sure you apply the approved indirect cost rate for the closing year. Approved rates are based on the prior year's expenditure data.

The amount of allowable indirect costs charged to a grant or entitlement program is determined by **actual expenditures** during a fiscal year, not by the entitlement or grant amount.

INDIRECT CALCULATION

Multiply the applicable indirect rate by the actual expenditures **EXCLUDING** the following Objects:

SUB-AGREEMENTS FOR SERVICES, OBJECT 5100XX. This Object includes expenditures for sub-agreements and sub-awards according to specific contracts, sub-contracts, and sub-grants. For sub-agreements, the first $50,000 can be coded to object 5800XX and subject to indirect, and the remainder is charged to Object 510000, see Procedure 330 CSAM, page 330-27.

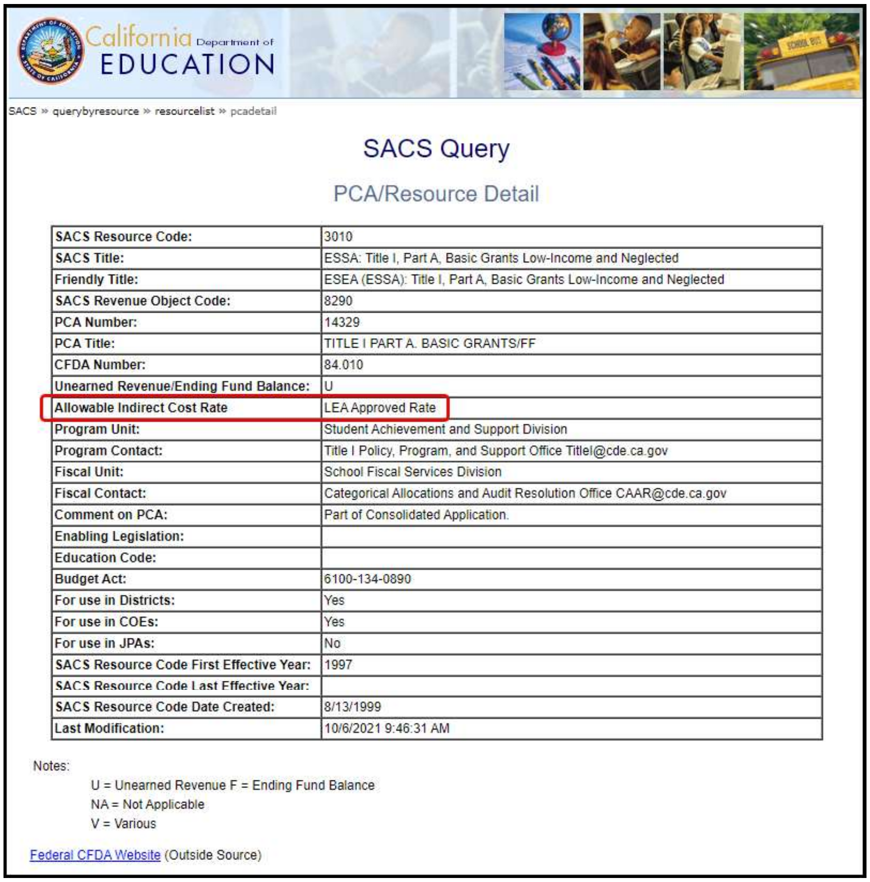
CAPITAL OUTLAY, OBJECTS 6000XX – 6999XX. These Objects include expenditures for items such as the acquisition of land, site improvements, construction or purchase of new buildings, books and media for new schools, major expansions of school libraries, and capitalized equipment.

OTHER OUTGO, OBJECTS 7000XX – 7499XX, and OTHER FINANCING USES, OBJECTS 7600XX – 7699XX. These Objects include expenditure for items such as tuition, excess cost payments, pass-through funds, transfers out debt service, and transfers between funds.

OTHER FUNDS. This includes expenditures of certain governmental funds (i.e., deferred maintenance; capital facilities), proprietary funds other than the cafeteria, and the fiduciary funds.

EXPENDITURES NOTED IN THE GRANT DOCUMENT

Some Resources have a capped allowable indirect cost rate, others have an administrative cap that limits a combination of direct administrative costs and indirect costs, while others do not allow indirect costs at all, requiring that the entire award amount be spent on direct costs. The data provided in the SACS Query shows the allowable indirect cost rate for each Resource.



California Department of EDUCATION

SACS » querybyresource » resourcelist » pcadetail

SACS Query

PCA/Resource Detail

SACS Resource Code:	3010
SACS Title:	ESSA: Title I, Part A, Basic Grants Low-Income and Neglected
Friendly Title:	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected
SACS Revenue Object Code:	8290
PCA Number:	14329
PCA Title:	TITLE I PART A. BASIC GRANTS/FF
CFDA Number:	84.010
Unearned Revenue/Ending Fund Balance:	U
Allowable Indirect Cost Rate	LEA Approved Rate
Program Unit:	Student Achievement and Support Division
Program Contact:	Title I Policy, Program, and Support Office TitleI@cde.ca.gov
Fiscal Unit:	School Fiscal Services Division
Fiscal Contact:	Categorical Allocations and Audit Resolution Office CAAR@cde.ca.gov
Comment on PCA:	Part of Consolidated Application.
Enabling Legislation:	
Education Code:	
Budget Act:	6100-134-0890
For use in Districts:	Yes
For use in COEs:	Yes
For use in JPAs:	No
SACS Resource Code First Effective Year:	1997
SACS Resource Code Last Effective Year:	
SACS Resource Code Date Created:	8/13/1999
Last Modification:	10/6/2021 9:46:31 AM

Notes:

U = Unearned Revenue F = Ending Fund Balance

NA = Not Applicable

V = Various

Federal CFDA Website (Outside Source)

ADULT EDUCATION FUND – 1100 and CAFETERIA FUND - 1300

Adult Education and Cafeteria Funds are also allowed to be charged indirect costs. Make sure to use the applicable indirect cost rate for each Fund and Resource when completing the calculation. After the proper calculations are made, you will need to complete a journal entry to set up a Due to Other Fund, General Fund from the Cafeteria Fund/Adult Education Fund. Then, complete and submit a transfer request to move funds.

For Adult Education Resources, use the SACS Query for the rate.

SACS Query

PCA/Resource Detail

SACS Resource Code:	6391
SACS Title:	Adult Education Program
Friendly Title:	Adult Education Program
SACS Revenue Object Code:	8590
PCA Number:	25313
PCA Title:	ADULT EDUCATION PROGRAM LA GF
CFDA Number:	NA
Unearned Revenue/Ending Fund Balance:	F
Allowable Indirect Cost Rate	5% or LEA Approved Rate, whichever is smaller
Program Unit:	Adult Education Office

For Food Services Resources, go to Indirect Cost Rates (ICR), then select Statewide Average Rates for Use with Food Service Programs.

The following is a journal entry showing indirect costs between Funds.
In the closing year, process a Journal Entry.

Journal Entry – Closing Year						
	Fund	Resource	Goal	Function	Object	Amount
DEBIT	0100	00000	0000	0000	931000	$10,000
CREDIT	0100	00000	0000	7210	735000	$10,000
DEBIT	1300	53100	0000	7210	735000	$10,000
CREDIT	1300	53100	0000	0000	961000	$10,000

In the new year, generate a Transfer to move the cash.

Inter-fund Transfer Request				
	Fund	Resource	Object	Amount
FROM (DEBIT)	1300	53100	961000	$10,000
TO (CREDIT)	0100	00000	931000	$10,000

CONTRIBUTIONS TO RESTRICTED RESOURCES

Before booking indirect costs, but ***after*** making all other adjustments to restricted Resources, you may have a negative categorical ending fund balance. You will need to make contributions from the Unrestricted General Fund to zero out these balances or make a journal entry to reclassify expenditures to other eligible grant Resources to reduce expenditures to match revenues. This will help prevent unnecessary unrestricted contributions to restricted Resources.

Programs most likely to require a contribution from the Unrestricted General Fund are:

- Special Education
- Routine Restricted Maintenance (RRMA Resource 81500)

All other contributions are coded to Object **8980000** – Contributions from **Unrestricted** Revenues. Everest allows the **Special Education** contribution to be coded to Object 898**30**.

The following is a journal entry showing the contribution from the Unrestricted to the Restricted Resource

Journal Entry – Closing Year					
	Fund	Resource	Object	Amount	
DEBIT	0100	XXXXX	898000	$10,000	*Unrestricted Resources*
CREDIT	0100	XXXXX	898000	$10,000	*Restricted Resources*

The following is a journal entry showing a contribution from the Restricted-to-Restricted Resource

Journal Entry – Closing Year					
	Fund	Resource	Object	Amount	
DEBIT	0100	XXXXX	899000	$10,000	*Restricted Resources*
CREDIT	0100	XXXXX	899000	$10,000	*Restricted Resources*

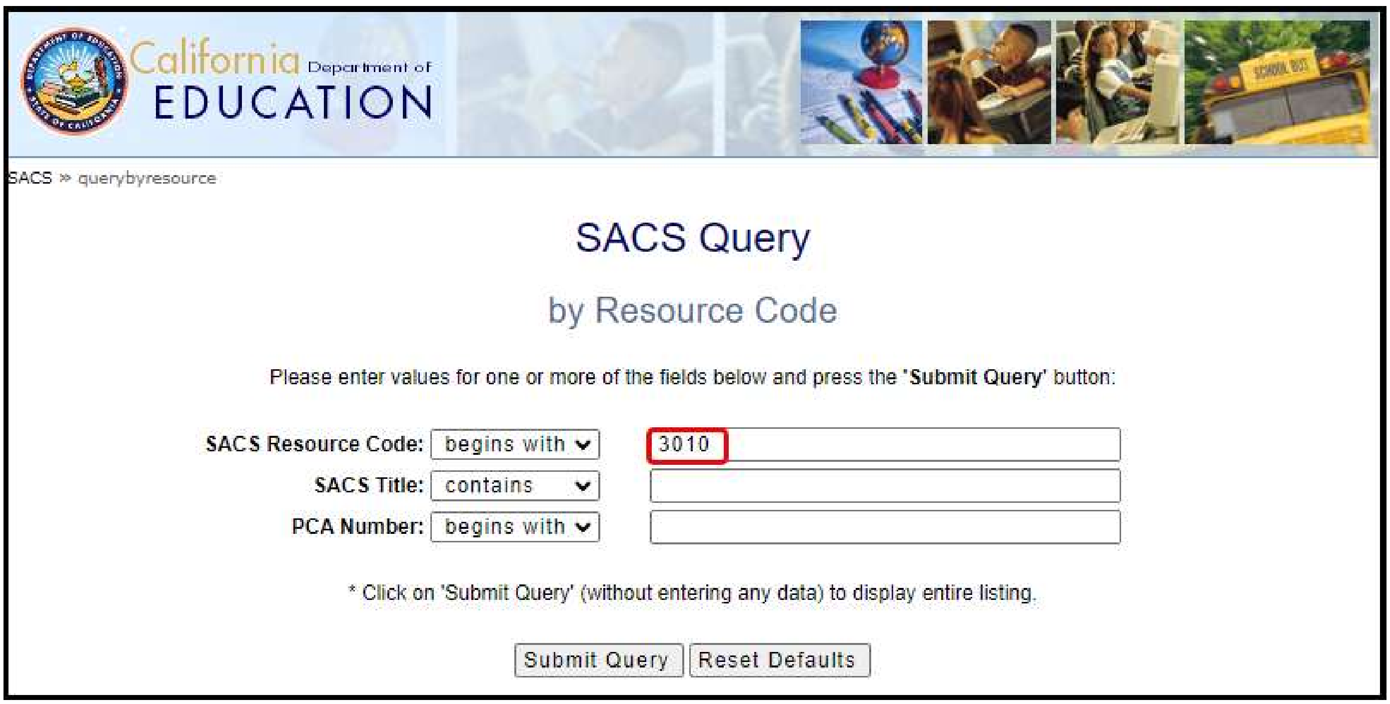
PREPARING FORM CAT

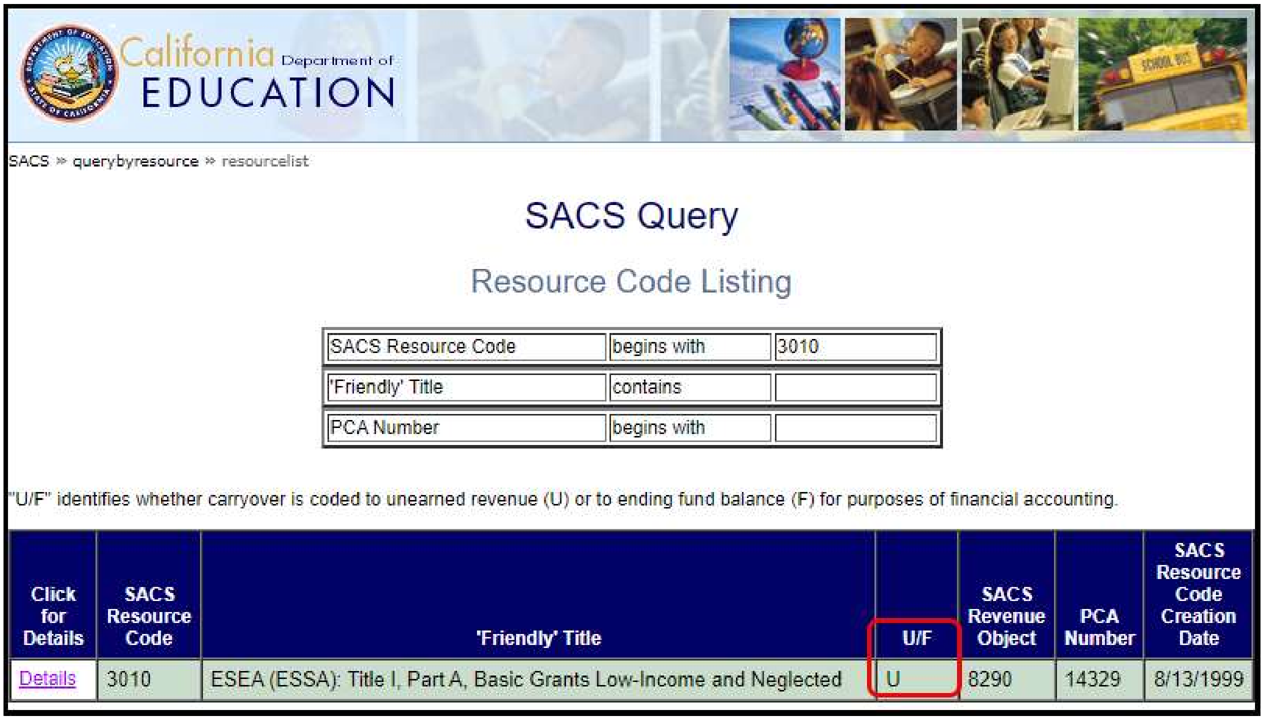
IMPORTANT: *The Audit Report for the prior fiscal year will either verify the calculations on the Form CAT or will reflect the changes shown as an audit adjustment on the general ledger(s).*

The following rules apply to both entitlements and grants.

- Revenue is recorded to the proper Resource and revenue Object when monies are received.
- To determine if the entitlement or grant allows a Fund Balance (F) or Unearned Revenue (U), refer to the Master List of Resources

  - OR -
- Refer to the grantor's award letter to determine if a Fund Balance or Unearned Revenue is applicable. SACS Query provides the Revenue Object and PCA/Resource Detail.





California Department of EDUCATION

SACS » querybyresource » resourcelist

SACS Query

Resource Code Listing

SACS Resource Code	begins with	3010
'Friendly' Title	contains	
PCA Number	begins with	

"U/F" identifies whether carryover is coded to unearned revenue (U) or to ending fund balance (F) for purposes of financial accounting.

Click for Details	SACS Resource Code	'Friendly' Title	U/F	SACS Revenue Object	PCA Number	SACS Resource Code Creation Date
Details	3010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	U	8290	14329	8/13/1999

After each restricted Resource has been determined, complete Form CAT per tab in the two categories of **(U)** - Unearned Revenue (for each federal, state, local) or **(F)** Restricted Ending Balance (for each federal, state, local) and by the fund.

Gather all current award letters, notices, etc., to enter the updated allocation amounts. Update Everest closing year revenues to agree to the award amount. The same amount will be entered as the closing year's award amount in Form CAT.

Before finalizing a restricted Resource, refer to the indirect costs section and contribution section of this manual to capture all eligible expenditures.

ENTITLEMENT

FUND BALANCE (F)

Earned when awarded (not expenditure dependent). The total award must be recorded as revenue in the year awarded. Resources can have an ending fund balance.

GRANTS

UNEARNED REVENUE (U)

Revenue is earned when authorized expenditures are made. Revenues are equal to expenditures. Resources will have a zero-ending fund balance.

1. If cash received exceeds expenditures, you will book unearned revenue in the closing year by Journal Entry. Everest does not have a deferred revenue closing feature. (e.g., Cash received \$26,000 – Expenditures \$16,000 = cash balance \$10,000).

2. Unspent revenues received ($10,000) must be booked at year-end close to Object 965000 – Unearned Revenues, so the revenues and expenditures are equal. Debit the Resource and revenue Object line $10,000 and credit the Resource and deferred Object line 965000.
3. Immediately enter the reversing Journal Entry by Resource, debiting the holding account 965000 and crediting the revenue line 829091. The new year now reflects the available revenues. *Note: the beginning balance in Object 965000 will appear once the Unaudited Actuals are rolled in Everest.*

Closing Year

Journal Entry – Closing Year					
	Fund	Resource	Object	Amount	
DEBIT	0100	XXXXX	829000	$10,000	*All other Federal Revenues*
CREDIT	0100	XXXXX	965000	$10,000	*Unearned Revenues*

New Year reversal (this should be done at the same time as you do the closing year journal entry)

Journal Entry – New Year					
	Fund	Resource	Object	Amount	
DEBIT	0100	XXXXX	965000	$10,000	*Unearned Revenues*
CREDIT	0100	XXXXX	8290**91**	$10,000	*All other Federal Revenues*

FORM CAT – SACS WEB

In addition to the Budget Report and General Ledgers, you will need to gather the following documentation to complete the Form CAT.

- Prior Year Form CAT
- Prior Year Annual Audit Report
- Award Letters and Grant documents for the closing year.

Do not include on Form CAT: any Resources that begin with zero, EPA, RDA, RRMA/OMMA.

Enter figures on the Form CAT for the Award, Revenues, and Expenditures sections. The Form CAT will perform the calculations and determine whether to record unearned revenue, carryover, or accounts receivable based on the information entered by the user. If unearned revenue is booked (13a), reduce the carryover amount (15) to properly book the carryover amount (8*9090) in the new year. The Form CAT does not perform this calculation. A manual entry in the new year to reflect carryover is required.

The Form CAT is a tool that requires you to review the results to ensure accuracy before entering the journal entries or creating accounts receivable. Form CAT should be filled in while closing each resource. It will help you determine whether your accruals are correct.

SAMPLE: FORM CAT – SCHEDULE OF CATEGORICAL

	Schedule for Federal Categoricals subject to Unearned Revenues							
Federal Program Name	Title I	Coronavirus Relief Fund (CRF): Learning Loss Mitigation	IDEA Basic	IDEA Preschool	Title II Teacher Quality	Title III Immigrant	Title III LEP	**ESSER**
Federal Category Number (if any)	84.010	21.019	84.027	84.173	84.367	84.365	84.365	
Resource Code	3010	3220	3310	3315	4035	4201	4203	**3210**
Revenue Object	8290	8290	8181	8182	8290	8290	8290	
Local Description (if any)								
d. Adj Curr Yr Award (sum lines 2a, 2b and 2c)	-	-	-	-	-	-	-	-
3) Required Matching Funds/Other								
4) Total Available Award (sum lines 1, 2d, & 3)	-	-	-	-	-	-	-	-
REVENUES								
5) Unearned Revenue Deferred From Prior Year								
6) Cash Received in Current Year								
7) Contributed Matching Funds								
8) Total Available (sum lines 5, 6, & 7)	-	-	-	-	-	-	-	-
EXPENDITURES								
9) Donor-Authorized Expenditures								
10) Non Donor-Authorized Expenditures								
11) Total Expenditures (lines 9 & 10)	-	-	-	-	-	-	-	-
12) Amounts Included in Line 6 above for Prior Year Adjustments								
13) Calculation of Unearned Revenue or A/P, & A/R amounts (line 8 minus line 9 plus line 12)	-	-	-	-	-	-	-	-
13a) Unearned Revenue	-	-	-	-	-	-	-	-
13b) Accounts Payable								
13c) Accounts Receivable	-	-	-	-	-	-	-	-
14) Unused Grant Award Calculation (line 4 minus line 9)	-	-	-	-	-	-	-	-
15) If Carryover is allowed, enter line 14 amt here	-	-	-	-	-	-	-	-
16) Reconciliation of Revenue (line 5 plus line 6 minus line 13a minus line 13b plus line 13c)	-	-	-	-	-	-	-	-

Unearned Revenue Federal | Unearned Revenue State | Restricted Ending Balance State | Restricted Ending Bal Federal

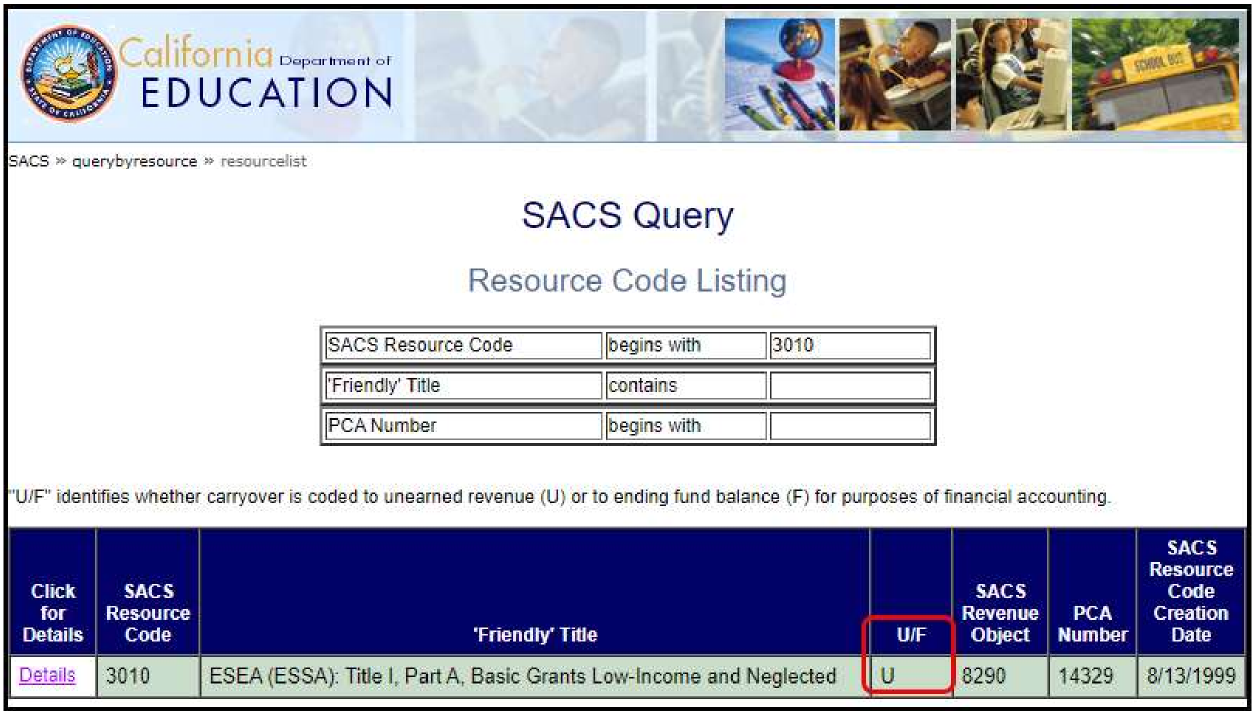
HOW TO COMPLETE - FORM CAT

STEP 1: Gather ALL current award letters, notices, last year's Form CAT, prior year annual audit report, etc.

STEP 2: Go to the CDE website – SACS QUERY

STEP 3: Enter the SACS 4-digit resource code for the program and then click Enter.

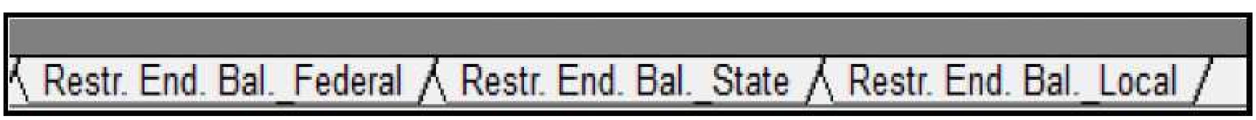
STEP 4: Note whether the Resource has a Fund Balance (**F**) or Unearned Revenue (**U**).



Click for Details	SACS Resource Code	'Friendly' Title	U/F	SACS Revenue Object	PCA Number	SACS Resource Code Creation Date
Details	3010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	U	8290	14329	8/13/1999

STEP 5: Determine if the Resource is **Federal** 3XXXXX-5XXXXX,
State 6XXXXX-8XXXXX or **Local** 9XXXXX

STEP 6: Sign in to SACSWEB. Click on Forms, Supplemental Forms, and Form CAT. Ensure you enter the data into the correct tab, i.e., Unearned Revenue for Federal, State, or Local, and Restricted Ending Fund Balance for Federal, State, or Local.



Below is a sample of information gathered from the Award and Entitlement Letters to be entered into the Form CAT.

SAMPLE OF UNEARNED REVENUE – GRANTS

1. Prior Year Carryover: Amount on line 14 and/or 15 from the prior year's Form CAT. This should be recalculated annually to ensure the amount is accurate. It doesn't have to match last year's.

2.a. Current Year Award: The award amount on the award letter for the fiscal year.
2.b. Transferability: Only for 8990 transfers between title programs.
2.c. Other Adjustments: Adjustments to grant award amount.

3. Required Matching Funds/Other: NOT CONTRIBUTIONS. Only use for programs that require a monetary match.

5. Unearned Revenue: if you had set up unearned revenue from the prior year, the amount will be entered on this line.
6. Cash Received in Current Year: All cash received in the fiscal year, *does not matter* what fiscal year it is attached to.

7. Contributed Matching Funds: NOT CONTRIBUTIONS. Only use for programs that require a monetary match.

9. Donor-Authorized Expenditures: Total allowable expenditures up to the award amount on line 4. Line 9 cannot exceed line 4.

Federal Program Name	Title I	Title II Teacher Quality
Federal Category Number (if any)	84.010	84.367
Resource Code	3010	4035
Revenue Object	8290	8290
Local Description (if any)		
AWARD		
1) Prior Year Carryover	-	1,092.45
2) a. Current Year Award	54,343.00	5,760.00
b.Transferability (ESSA)		
c. Other Adjustments		
d. Adj Curr Yr Award (sum lines 2a, 2b and 2c)	54,343.00	5,760.00
3) Required Matching Funds/Other		
4) Total Available Award (sum lines 1, 2d, & 3)	54,343.00	6,852.45
REVENUES		
5) Unearned Revenue Deferred From Prior Year		
6) Cash Received in Current Year	15,521.00	5,688.00
7) Contributed Matching Funds		
8) Total Available (sum lines 5, 6, & 7)	15,521.00	5,688.00
EXPENDITURES		
9) Donor-Authorized Expenditures	47,104.54	4,457.00
10) Non Donor-Authorized Expenditures		
11) Total Expenditures (lines 9 & 10)	47,104.54	4,457.00
12) Amounts Included in Line 6 above for Prior Year Adjustments		-
13) Calculation of Unearned Revenue or A/P, & A/R amounts (line 8 minus line 9 plus line 12)	(31,583.54)	1,231.00
13a) Unearned Revenue	-	1,231.00
13b) Accounts Payable		
13c) Accounts Receivable	31,583.54	-
14) Unused Grant Award Calculation (line 4 minus line 9)	7,238.46	2,395.45
15) If Carryover is allowed, enter line 14 amt here	7,238.46	2,395.45
16) Reconciliation of Revenue (line 5 plus line 6 minus line 13a minus line 13b plus line 13c)	47,104.54	4,457.00
Carryover amount to be budgeted in current FY	**7,238.46**	**1,164.45**

10. Non-Donor Authorized Expenditures: The expenditures above the award amount. If there are expenditures over the award amount, line 10 should match the 8980 contribution to the program.

13. Calculation of Unearned Revenue or A/P, and A/R amounts: The form calculates the accrual. Positive amount on line 13 = Unearned Revenue, enter the amount on 13.a. Negative amount on line 13 = Accounts Receivable, enter as a positive amount on 13.c.

14. Unused Grant Award Calculation: The form calculates your unused grant award or carryover, if allowable.

15. If Carryover is allowed: Input the amount from line 14 on line 15.

16. Reconciliation of Revenue: The form will calculate the amount of revenue earned. If the form is done correctly, line 16 should = line 9.

Federal Program Name	Title I	Title II Teacher Quality
Federal Category Number (if any)	84.010	84.367
Resource Code	3010	4035
Revenue Object	8290	8290
Local Description (if any)		
AWARD		
1) Prior Year Carryover	-	1,092.45
2) a. Current Year Award	54,343.00	5,760.00
b. Transferability (ESSA)		
c. Other Adjustments		
d. Adj Curr Yr Award (sum lines 2a, 2b and 2c)	54,343.00	5,760.00
3) Required Matching Funds/Other		
4) Total Available Award (sum lines 1, 2d, & 3)	54,343.00	6,852.45
REVENUES		
5) Unearned Revenue Deferred From Prior Year		
6) Cash Received in Current Year	15,521.00	5,688.00
7) Contributed Matching Funds		
8) Total Available (sum lines 5, 6, & 7)	15,521.00	5,688.00
EXPENDITURES		
9) Donor-Authorized Expenditures	47,104.54	4,457.00
10) Non Donor-Authorized Expenditures		
11) Total Expenditures (lines 9 & 10)	47,104.54	4,457.00
12) Amounts Included in Line 6 above for Prior Year Adjustments		-
13) Calculation of Unearned Revenue or A/P, & A/R amounts (line 8 minus line 9 plus line 12)	(31,583.54)	1,231.00
13a) Unearned Revenue	-	1,231.00
13b) Accounts Payable		
13c) Accounts Receivable	31,583.54	-
14) Unused Grant Award Calculation (line 4 minus line 9)	7,238.46	2,395.45
15) If Carryover is allowed, enter line 14 amt here	7,238.46	2,395.45
16) Reconciliation of Revenue (line 5 plus line 6 minus line 13a minus line 13b plus line 13c)	47,104.54	4,457.00
Carryover amount to be budgeted in current FY	**7,238.46**	**1,164.45**

SAMPLE OF FUND BALANCE – ENTITLEMENTS

State Program Name	(ELO) Grant
Resource Code	7425
Revenue Object	8590
Local Description (if any)	
AWARD	
1) Prior Year Restricted Ending Balance	
2) a. Current Year Award	740,407.00
b. Other Adjustments	
c. Adj Curr Yr Award (sum lines 2a & 2b)	740,407.00
3) Required Matching Funds/Other	
4) Total Available Award (sum lines 1, 2c, & 3)	740,407.00
REVENUES	
5) Cash Received in Current Year	718,064.00
6) Amounts Included in Line 5 for Prior Year Adjustments	
7 a) Accounts Receivable (line 2c minus lines 5 & 6)	22,343.00
b) Noncurrent Accounts Receivable	
c) Current Accounts Receivable (line 7a minus line 7b)	22,343.00
8) Contributed Matching Funds	
9) Total Available (sum lines 5, 7c, & 8)	740,407.00
EXPENDITURES	
10) Donor-Authorized Expenditures	646,937.40
11) Non Donor-Authorized Expenditures	
12) Total Expenditures (line 10 plus line 11)	646,937.40
RESTRICTED ENDING BALANCE	
13) Current Year (line 4 minus line 10)	93,470

Example: (Award) $740,407 – (Cash received) $718,064 = (Accounts Receivable) $22,343.

The closing year's Ending Fund Balance will become next year's beginning balance as object 9791, automatically through Everest = $93,470.

If the award amount exceeds the cash received, an Accounts Receivable (AR) must be set up through the Everest System.

UNEARNED REVENUE (U)

Clearing an Accounts Receivable (AR) Balance (Form CAT row 13c)

1. If the cash received is less than expenditures, you will book an Accounts Receivable for the difference through the Accounts Receivable Accrual Application.

   For example, Cash received is $266,000 – Expenditures $288,000 = cash shortage $22,000. AR accrual application will credit the Resource's revenue line and automatically debit 92000.

2. ARs entered through the AR accrual application do not require any current-year reversal journal entries.

Unused Grant Award/Carryover

1. Carryover is the remaining amount of the grant award **that has not been received or expended** but may be carried over into the new year to spend the remaining funds by a specific date.
2. For Carryover Revenues, use the revenue Object suffix **90**.
   Example: For All Other State Revenue, use Object 8590**90**.
3. The calculation for carryover is:

   Total Available Award – Total Expenditures – Unearned Revenue = CARRYOVER

   It is important to subtract Unearned Revenue because the Form CAT does not subtract from Row 15.
4. Carryover or 8X9090 is entered manually in the July 1 Budget year as stated in #2. No entry is made for carryover in the closing year.

FUND BALANCE (F)

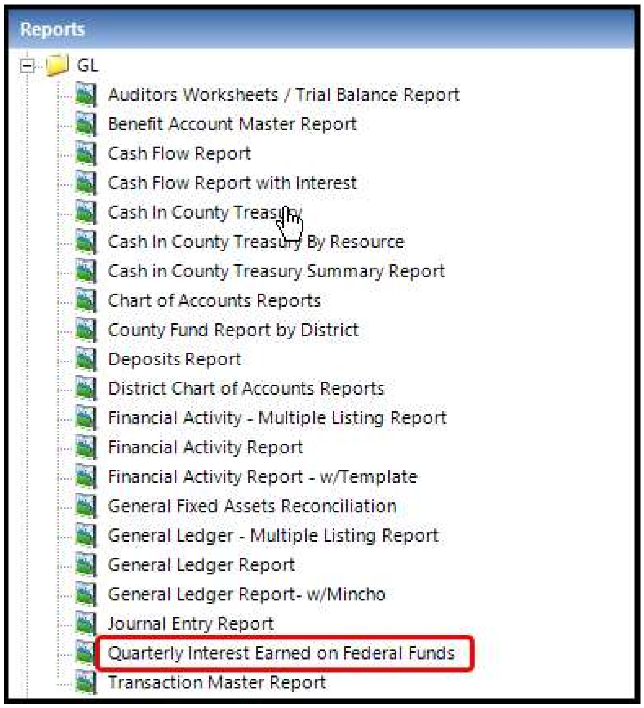
1. The beginning fund balance is the ending fund balance at year-end and will be posted as the beginning fund balance, Object 979100-Beginning Fund Balance, in the new year.
2. It is recommended to complete a Form CAT for restricted Resources that can carry an ending fund balance (F) to account for activity and proper posting.
3. Book an AR through the Everest system when the award amount is greater than the cash received, regardless of expenditure amounts. (e.g., Award amount $800,000 - cash received $500,000 = Accounts Receivable $300,000).

FEDERAL INTEREST QUARTERLY REPORT

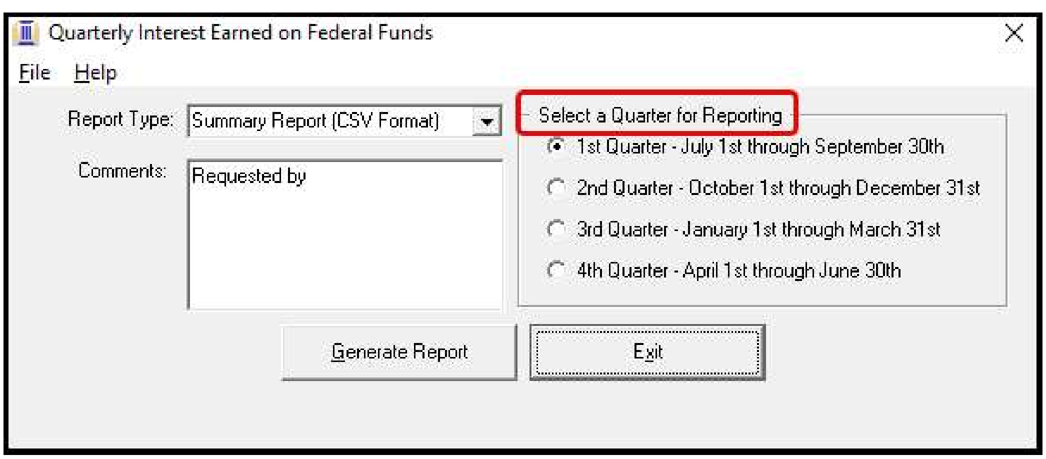
LEAs must calculate and remit interest earned on federal Resources at least quarterly. As of January 1, 2015, LEAs are entitled to keep up to $500 of interest per fiscal year (in total for all federal programs).

The Everest financial system can generate a quarterly report to determine the amount of the Accounts Payable warrant to be processed, thereby returning the excess interest to CDE.

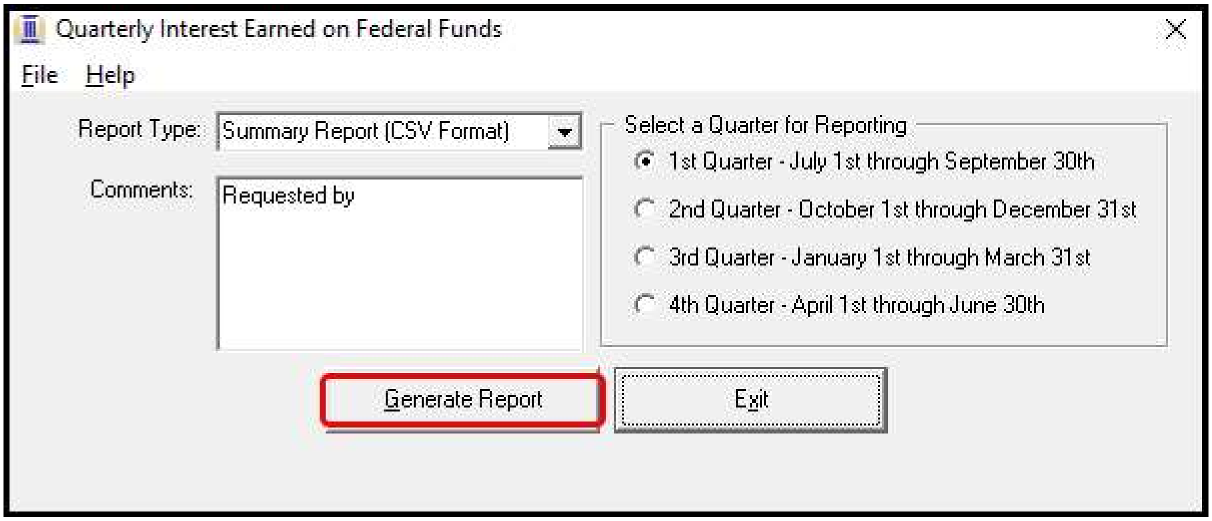
STEP 1: Click on Quarterly Interest Earned on Federal Funds.



STEP 2: Choose the desired quarter to report.



STEP 3: Click on Generate report.



Interest revenue is posted in Resource 00000; therefore, payments should be made from Resource 00000.

The warrant payable to the California Department of Education should be mailed to:

P.O. Box 515006
Sacramento, CA 95851
Attention: Cashier's Office

https://www.cde.ca.gov/fg/ac/co/intfedfunds-calculating.asp
Quarterly reports should be emailed to CashManagement@cde.ca.gov

OTHER CATEGORICALS

TITLE I, PART A

A local education agency (LEA) that receives Title I, Part A funds shall operate one of two programs:

- Targeted assistance school (TAS) program, or
- Schoolwide program (SWP).

The purpose of a TAS program is to assist schools and LEAs in meeting their responsibility to provide all their students with the opportunity to meet the challenging state academic standards (Every Student Succeeds Act [ESSA] Section 1115[b]). In all schools selected to receive Title I, Part A funds that are ineligible for a SWP, have not received a waiver to operate a SWP, or choose not to operate a SWP, an LEA may use funds to provide services to eligible students identified as having the greatest need for special assistance (ESSA Section 1115[a]).

Eligible schools are not required to operate a SWP and may choose to operate as a TAS program. Additional information about Title I, Part A SWP is located on the Title I, Part A Schoolwide Program web page.

TITLE I, PART A, REQUIRED RESERVATIONS

LEAs that receive Title I, Part A, funds will be required to reserve the following set-asides starting the fiscal year 2017-2018:

- Parent and Family Engagement: LEAs with a Title I, Part A allocation, including transfers, over $500,000 must reserve at least 1 percent of the LEA's Title I, Part A allocation for parent and family engagement activities pursuant to Section 1116 of the ESSA.

- Homeless Services: LEAs must reserve Title I, Part A funds as are necessary to provide services to homeless children comparable to those provided to children enrolled in schools receiving Title I, Part A funds pursuant to Section 1113(b)(3) of the ESSA.

- Neglected and Delinquent Children: LEAs must reserve, if applicable, Title I, Part A funds to provide services comparable to those provided to children enrolled in schools receiving Title I, Part A funds to serve children in local institutions for neglected children, local institutions for delinquent children, and neglected or delinquent children in community day school programs pursuant to Section 1113(b)(3) of the ESSA.

- For more information regarding Title I, Part A reservations, please email the **Title I Policy and Program Guidance Office** by email at TitleI@cde.ca.gov or by phone at **(916) 319-0917.**

AUTHORIZING TITLE I, PART A EXPENDITURES

Title I, Part A funds must be fully and thoughtfully committed to proven evidence-based strategies that improve the overall academic success of all students, particularly disadvantaged students.

The California Department of Education (CDE) recommends that local educational agencies (LEAs), County Offices of Education, and directly funded charter schools consider the following general criteria when approving activities or expenditures supported with Title I, Part A funds:

1. The activity/expenditure is aligned to meet the challenging State academic content standards (Every Student Succeeds Act [ESSA] sections 1112[a][3][B][i] and 1112[b]);

2. The activity/expenditure is an evidence-based educational strategy (ESSA sections 1003[b][1][B]; 1114[d]; and 1115[h]);

3. The activity/expenditure is reasonable, necessary, and allocable cost to the program (2 *CFR* 200.404 - 200.405);

4. Title I, Part A funds used to supplement the funds that would, in the absence of such funds, be made available from State and local sources, and do not supplant such funds (ESSA Section 1118[b][1]);

5. Title I, Part A funds used are current Federal fiscal year or the subsequent fiscal year (ESSA Section 1127[a]).

Title I Schoolwide Programs (SWP) should consider the following general criteria when approving activities or expenditures supported with Title I, Part A funds:

6. The activity/expenditure meets a need identified in the comprehensive needs assessment (ESSA Section 1114[b][6]);

7. The activity/expenditure is included in the Single Plan for Student Achievement (SPSA) (*Education Code* [*EC*] Section 64001[g][C][3]);

8. The SPSA has been approved by the local governing board (*EC* Section 64001[i]);

9. The School Site Council (SSC) annually evaluates and monitors the implementation of the SPSA and progress towards accomplishing the goals

(*EC* Section 64001[g][2][B] and [i]); and

10. The activity/expenditure has been reviewed, approved, and recommended by the SSC to the local governing board (*EC* Section 64001[d]).

Title I Targeted Assistance Schools (TAS) should consider the following general criteria when approving activities or expenditures supported with Title I, Part A funds:

The activity/expenditure serves the needs of students who are identified as failing, or most at risk of failing to meet challenging State academic standards based on multiple, educational-related, objective criteria established by the LEA and supplemented by the school (ESSA Section 1115[c][1][B]);

11. The activity/expenditure is included on an ongoing basis, review of the progress of eligible children and revise the TAS program, if necessary, to provide additional assistance, to enable such children to meet the challenging State academic standards (ESSA Section 1115[b][G][iii]).

12. Staff members paid with Title I funds may assume limited duties that are assigned to similar personnel who are not so paid, including duties beyond classroom instruction or that do not benefit participating children, so long as the amount of time spent on such duties is the same proportion of total work time as prevails with respect to similar personnel at the same school (ESSA Section 1115[d][2]).

If an LEA has not completed all the above rationales, it is not likely to be an authorized use of Title I, Part A funds.

All district-wide or centralized activities supported with Title I, Part A funds should be included in a district-level planning document, meet an identified need aligned to the LCAP, be representative of an evidence-based strategy, and be annually evaluated for effectiveness.

For more information regarding Title I, Part A expenditures, please contact the **Title I Policy and Program Guidance Office** by email at TitleI@cde.ca.gov or by phone at **(916) 319-0917**.

LEAs may also contact their **Federal Program Monitoring (FPM) Team** Lead by calling the Title I Monitoring and Support Office at **(916) 319-0854**.

TITLE I, PART A CARRYOVER AND TRANSFER-IN

The ESSA, Title I, Part A, Section 1127(a), Limitation on Carryover, states that **not more than 15 percent** of the Title 1, Part A *funds allocated to an LEA for any fiscal year* may remain available for obligation by such agency for one additional fiscal year.

A state educational agency (SEA) **may waive** the 15 percent carryover limitation if:

1. The LEA's request is reasonable and necessary; **or**
2. A supplemental Title I, Part A appropriation becomes available.

FEDERAL TRANSFERABILITY

Title V Section 5103 of the Every Student Succeeds Act (ESSA) allows a local educational agency (LEA) to transfer up to 100 percent of Title II, Part A, and Title IV, Part A program funds to other allowable programs. The allowable programs are:

- Title I, Part A – Improving basic programs;
- Title I, Part C – Education of migratory children;
- Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk;
- Title II, Part A – Supporting effective instruction;
- Title III English Learner – Language instruction for English learners;
- Title III Immigrant – Language instruction for immigrant students;
- Title IV, Part A – Student support and academic enrichment grants;
- Title V, Part B, Subpart 1 – Small, rural school achievement program; and
- Title V, Part B, Subpart 2 – Rural and low-income school program.

An LEA *may not transfer out any funds allocated under Title I, Title III, or Title V*. Regardless of transfers, the LEA will continue to be responsible for meeting Title II, Part A, and Title IV, Part A legal requirements, which are required as a condition of accepting the funds. In addition, funds transferred to other allowable programs are subject to the legal requirements for those programs.

ALLOWS LEAs TO TRANSFER SOME OR ALL OF THEIR FUNDS *IN TO OR OUT OF*:

- Title II, Part A, Resource 40350 – Professional Development
- Title IV, Part A, Resource 41270 – Student Support
- Or ***into,*** but not ***out of***, Title I, Part A – Resource 30100 - Academic Disadvantaged

AND FROM THE RESOURCES ABOVE *IN TO BUT NOT OUT OF* THE RESOURCES BELOW:

- Title I, Part A, Resource 30100 – Academic Disadvantaged
- Title I, Part D, Resource 30250 – Neglected and Delinquent
- Title V, Part B, Resource 58100 – Rural Education

Please visit the website for additional information 2025-26 Federal Transferability.

E-RATE

The Schools and Libraries (E-Rate) Program provides discounts to help most schools and libraries in the United States obtain affordable high-speed Internet and telecommunications services.

CSAM, PROCEDURE 560

Receipts Not Allowable as Abatements of Expenditures

E-Rate reimbursements, rebates, discounts, and similar subsidies. Suppose the E-Rate discount or subsidy is received as a discount on a bill. In that case, the full amount of the bill before the discount should be debited to the expenditure account, and the E-Rate discount or subsidy should be credited to Other Local Revenue.

For additional information, use the contact information below.

E-Rate FAQ: https://www.usac.org/e-rate/learn/faqs/all-topics/

Education Data Office | E-rate@cde.ca.gov | 916-445-9394

RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)

The REAP is comprised of two formula grant programs:

Subpart 1–Small, Rural School Achievement (SRSA) Program

- The SRSA program provides funds to very small, rural local educational agencies (LEAs).
- The U.S. Department of Education awards these grants directly to eligible LEAs.
- SRSA eligible LEAs also qualify for the Alternative Fund Use Authority (ESSA sections 5211 [a] and [c]), which provides additional flexibility in how these LEAs may expend federal education funds.

Subpart 2–Rural and Low-Income School (RLIS) Program

- The RLIS program targets rural LEAs that serve large numbers of low-income students.
- The California Department of Education awards grants to eligible LEAs.

LEAs may be eligible for both SRSA and RLIS grants and must choose one grant under which to receive funds in any given fiscal year (ESSA Section 5225[a]). In other words, LEAs may receive only one REAP grant, SRSA, or RLIS. In addition to eligibility, it is the LEA's responsibility to determine grant application deadlines.

USE OF FUNDS

LEA shall use SRSA funds for the following activities (ESSA Section 5211[a][1]):

- Title I, Part A
- Title II, Part A
- Title III
- Title IV, Part A, or B

For additional information regarding the authorized use of Title V, Part B funds, please visit the Title V, Part B Authorized Use of Funds web page.

Alternative Fund Use Authority (AFUA)

The AFUA allows SRSA-eligible LEAs greater flexibility in spending the funds they receive under Title II, Part A, and Title IV, Part A. Under AFUA, LEAs can use their Title II, Part A, and Title IV, Part A funds to carry out local activities under any of the allowable uses for SRSA grant funds (ESSA sections 5211[a] and [c]).

For additional information regarding the AFUA, please visit the Title V, Part B Alternative Fund Use Authority web page.

RLIS Requirements and Eligibility

An LEA is eligible for RLIS if 20 percent or more of the children served by the LEA are from families with incomes below poverty, and all of the schools served by the LEA are designated with a school locale code of 32, 33, 41, 42, or 43 by the NCES (ESSA Section 5221[b][1]).

RLIS allocations are based on an LEA’s student low-income percentage reported two years before by the NCES.

Use of Funds

LEA may use RLIS funds for the following activities (ESSA Section 5222[a]):

- Title I, Part A
- Title II, Part A
- Title III
- Title IV, Part A
- Parental involvement activities

For additional information regarding the authorized use of Title V, Part B funds, please visit the Title V, Part B Authorized Use of Funds web page.

Carryover Funds

The CDE recommends that the LEA obligate or expend the entire Title V, Part B allocation within each federal fiscal year.

According to the Education Department General Administrative Regulations [EDGAR] pursuant to 34 *Code of Federal Regulations* 76.709[b], it is the expectation that Title V, Part B, REAP allocations be obligated and expended during the year in which received.

REAP FLEXIBILITY

Funds in these Resources

- Resource 40350 – Improving Teacher Quality
- Resource 40450 – Enhancing Education through Technology
- Resource 37100 – Safe and Drug-Free Schools
- Resource 41100 – Innovative Programs

May be spent in the following Resources

- Resource 30100 – Title I, Part A
- Resource 40350 – Improving Teacher Quality
- Resource 42010 & 42030 – Limited English Proficient and Immigrant Students
- Resource 41240 – 21st Century Community Learning Centers

If the LEA qualified for REAP-flex, then the LEA would not use Federal Transferability because REAP-Flex covers the same Resources with greater flexibility.

Additional REAP Information: Rural Education Achievement Program

SCHOOL NUTRITION PROGRAM (SNP)

To be eligible for reimbursement, each sponsor's claim preparer must submit a monthly claim.

Note: For combined SNP claims, the combined May and June claim will use the May claim submission deadline, and the combined August and September claim will use the September submission deadline.

As a courtesy, approximately 50 days after the end of the claim month, Child Nutrition Fiscal Services (CNFS) sends a Notice of Delinquent Claim to sponsors participating in the SNP.

IMPORTANT: Year-end closing is the time to evaluate the Child Nutrition program's net cash resources (NCR). The NCR is defined as the amount of funding in the LEA's Cafeteria Fund at any one time, including accounts receivable. ***The Cafeteria Fund's NCR must stay below a level equal to three months' operating expenditures.*** If the NCR exceeds this limit, the LEA should work with the CDE to determine if a spending plan is needed to reduce the NCR to the appropriate level.

If you have questions regarding the allowability of costs in the SNPs, contact the RMU by email at snpcafefundquestions@cde.ca.gov

For additional information, use the contact information below.

SNP Guidance, Manuals, and Resources

https://www.cde.ca.gov/ls/nu/sn/mgmb.asp

RATES

https://www.cde.ca.gov/ls/nu/rs/rates2526.asp

Nutrition Services Division | 800-952-5609

TRANSPORTATION

LEAs will be reimbursed for 60% of home-to-school transportation costs, less any funds already apportioned under LCFF for transportation. The reimbursement will be calculated based on the prior year's Unaudited Actuals submission. Review the expenditures recorded in Function code 3600 to ensure they are appropriate.

Refer to CSAM Procedure 325-21 for additional information on allowable expenditures.

SECTION 4:
CLOSING OTHER FUNDS

CLOSING OTHER FUNDS

IMPORTANT: The following instructions are a guide for closing other funds within the LEA's portfolio of funds. The checklist does not include all the tasks you may need to perform to close your other funds.

FUND 0800 – ASSOCIATED STUDENT BODY (ASB) FUND

- The Associated Student Body (ASB) Fund must be reported in the SACS Web System Application.
- The LEA is responsible for entering all revenues and expenditures for the closing fiscal year. Maintaining precise accounting records as backups for each site is essential. See sample journal entry below.

Journal Entry					
	Fund	Resource	Object	Amount	
DEBIT	0800	82100	912000	$10,000	*Cash in Bank*
CREDIT	0800	82100	869900	$10,000	*Total Local Revenue*
DEBIT	0800	82100	580000	$10,000	*Total Expenditures*
CREDIT	0800	82100	912000	$10,000	*Cash in Bank*

FUND 0900 – CHARTER SCHOOL FUND

- Review revenues and expenditures
- Accrue interest and prior-year deferrals, if applicable
- Book Indirect Administrative Charges
- Calculate In-Lieu of Property Taxes

In the closing year, process a Journal Entry.

Journal Entry – Closing Year					
	Fund	Resource	Object	Amount	
DEBIT	0100	00000	809600	$10,000	*In Lieu Property Taxes*
CREDIT	0100	00000	961000	$10,000	*Due to Other Fund*
DEBIT	0900	00000	931000	$10,000	*Due from Other Fund*
CREDIT	0900	00000	809600	$10,000	*In Lieu Property Taxes*

In the new year, generate a Transfer to move the cash.

Inter-fund Transfer Request – New Year				
	Fund	Resource	Object	Amount
FROM (DEBIT)	0100	00000	961000	$10,000
TO (CREDIT)	0900	00000	931000	$10,000

FUND 1100 – ADULT EDUCATION FUND

- Review revenues and expenditures, reclass if needed.
- Accounts Receivable may include interest.

FUND 1200 – CHILD DEVELOPMENT FUND

- **LOCALLY FUNDED PRESCHOOL PROGRAMS**

1. Review Revenue and Expenditures, reclass if needed
2. Book Accounts Receivable for Parent Fees or other sources of revenue due through June 30.
3. Book Liabilities for goods and services received by June 30.
4. Process journal entry for transfer of revenue required from the general fund, if applicable.

- **CALIFORNIA STATE PRESCHOOL PROGRAM (CSPP)**

1. Prepare preliminary Maximum Reimbursable Amount (MRA) calculation.
2. Complete year-end attendance and fiscal reports due each year in July.
3. Use the LEA-approved rate or 10% for indirect cost, whichever is smaller.
4. Accounts Receivable may include amounts due from the State or interest.
5. Current Liabilities may include any outstanding Accounts Payables, any amount due to the State.
6. Book any contributions from the General Fund with a Due to Other Fund /Due from Other Fund, as needed.
7. Resource 61300, Centers – Base Reserve Account. Verify that the reserve amount does not exceed five percent of the MRA.
8. Calculate interest earned on the reserve account, Resource 61300. Complete journal entry to post interest earned.
9. Complete the Due to Other Fund journal entry and inter-fund transfer request to the General Fund, *if applicable*, for all payroll holding account balances. See the payroll holding account section of this manual for additional directions.

Journal Entry					
	Fund	Resource	Object	Amount	
DEBIT	1200	00000	866000	$25	*Interest*
CREDIT	1200	61300	866000	$25	*Interest*

FUND 1300 – CAFETERIA FUND

- Applicable to Child Nutrition School Programs such as Resource 53100.
- Prepare final claims and book Accounts Receivable for amounts due.
- Review expenditures and book Accounts Payable (liabilities) for goods or services received before June 30.
- Book indirect costs using the lesser of the LEA indirect cost rate or the California Statewide Average Indirect Cost Rate for Use with Food Service Programs. Indirect Cost Rates (ICR) - Accounting (CA Dept of Education)
    - Book journal entries for transfer of payroll costs, such as Workers' Compensation, etc. Complete the transaction by submitting a transfer request in the new fiscal year.

FUND 1400 – DEFERRED MAINTENANCE FUND

This fund is classified as a special revenue fund and requires an ongoing source of restricted or committed revenues. If LEA still makes a deferred maintenance contribution, the governing board must commit LCFF revenue to Fund 1400. LCFF revenues committed to this fund must be coded to object 809100, from the General Fund to the Deferred Maintenance Fund. Most LEAs make a direct transfer in the same fiscal year, which is the preferred method. However, if the transfer does not occur, it must be set up as a journal entry using Due to Other Funds/Due from Other Funds. A transfer will follow in the new fiscal year to move cash.

Journal Entry - LCFF Revenue Transfers

Journal Entry				
	Fund	Resource	Object	Amount
DEBIT	1400	00000	931000	$10,000
CREDIT	1400	00000	809100	$10,000
DEBIT	0100	00000	809100	$10,000
CREDIT	0100	00000	961000	$10,000

Inter-Fund Transfer - All Revenue Sources

Inter-fund Transfer Request – New Year				
	Fund	Resource	Object	Amount
FROM (DEBIT)	0100	00000	961000	$10,000
TO (CREDIT)	1400	00000	931000	$10,000

FUND 17XX – SPECIAL RESERVES (NON-CAPITAL PROJECT) FUND

- Used primarily to accumulate general fund monies for a general operating purpose other than other capital outlay.
- The fund only allows transfers out to appropriate funds where expenditures will be made.
- Can be used to meet the required “Reserve for Economic Uncertainties”
- Accounts Receivables may include interest.

FUND 21XX, FUND 2500, AND 35XX – CONSTRUCTION FUNDS

- Accounts Receivable may include any amounts owed between funds (due to/due from) and interest.
- PLEASE NOTE -Fund 2500 Interest must be journaled from Resource 0000 to Resource 9051.
- Fund 35XX – County Schools Services Funds uses resource 77XX. **IMPORTANT:** If Fund 35 contains State Facility Program revenue for several different projects, the Interest must be distributed out to the various projects.

Journal Entry					
	Fund	Resource	Object	Locally Defined	Amount
DEBIT	3500	00000	866000	0000	$1,500
CREDIT	3500	77XXX	866000	XXXX	$1,500

FUND 40XX– SPECIAL RESERVES (CAPITAL PROJECT) FUND

- Special Reserve for Capital Outlay Projects (Used primarily to accumulate general fund monies for capital outlay projects).
- Accounts Receivable may include interest.

FUND 51XX– BOND INTEREST AND REDEMPTION FUND

- Verify actual payments made tied to the Bond Schedule.
- Use the general ledger to reconcile against the prior year audit report for increases/decreases to be included on the SACS Form DEBT.
- Accounts Receivable may include interest.

FUND 6700 – SELF-INSURANCE FUND

- Ensure all cash reconciliations have been made.
- Review the general ledger to ensure a positive cash balance.
- Ensure all transfers were completed before June 30.
- Make sure that the Incurred But Not Reported (IBNR) liability has been adjusted, *if necessary.*
- Accounts Receivable may include interest.

FUND 7100 – RETIREE BENEFITS FUND

- Before using this fund for the OPEB unfunded liabilities, establish a formal Trust Agreement with a third party.
- Ensure that all reconciliations have been completed.
- Ensure that all transfer for retiree benefits is completed before June 30 *(See CSAM Procedure 785)*.

SECTION 5:
Additional Closing Procedures

ONGOING AND MAJOR MAINTENANCE ACCOUNT (OMMA)

(often referred to as ROUTINE RESTRICTED MAINTENANCE ACCOUNT (RRMA)

Local Educational Agencies (LEAs) participating in the School Facility Program (SFP) are required pursuant to EC §17070.75 to establish and maintain an Ongoing and Major Maintenance Account (OMMA), Resource 8150, formerly referred to as the Routine Restricted Maintenance Account (RRMA). This restricted account within the General Fund is established for the exclusive purpose of providing funds for ongoing and major maintenance of school facilities and is a condition of continued eligibility under the School Facility Program.

Annual Contribution Requirements

<u>Required Minimum Deposit</u>:

LEAs subject to EC §17070.75 must contribute at least 3% of total General Fund expenditures, including other financing uses, into Resource 8150 annually. The required contribution generally continues for 20 years following receipt of School Facility Program funding.

- <u>Resource Code:</u> 8150 Ongoing and Major Maintenance Account (OMMA), which is sometimes referred to as the Routine Restricted Maintenance Account (RMMA)
- <u>Function Code:</u> Typically Function 8100 (Plant Maintenance and Operations)
- <u>Object Codes:</u> Use the appropriate object codes in the 1000–3999 range (Salaries and Benefits), 5000–5999 range (Services and Other Operating Expenditures), or 6000–6999 range (Capital Outlay) when expenditures meet the definition of allowable maintenance activities.

<u>Exclusions</u>:

Expenditure base exclusions used in calculating the required 3% contribution are identified in the Criteria and Standards (Second Interim Report), Criterion 7 – Facilities Maintenance. LEAs should review the current SACS software and Criteria and Standards instructions annually to determine applicable exclusions.

7. CRITERION: Facilities Maintenance

STANDARD: Identify changes that have occurred since first interim projections in the projected contributions for facilities maintenance funding as required pursuant to Education Code Section 17070.75, or in how the district is providing adequately to preserve the functionality of its facilities for their normal life in accordance with Education Code sections 52060(d)(1) and 17002(d)(1).

Determining the District's Compliance with the Contribution Requirement for EC Section 17070.75 - Ongoing and Major Maintenance/Restricted Maintenance Account (OMMA/RMA)

NOTE: EC Section 17070.75 requires the district to deposit into the account a minimum amount equal to or greater than three percent of the total general fund expenditures and other financing uses for that fiscal year. Statute exclude the following resource codes from the total general fund expenditures calculation: 3212, 3213, 3214, 3216, 3218, 3219, 3225, 3226, 3227, 3228, 5316, 5632, 5633, 5634, 7027, and 7690.

Contribution Adjustments and Audits

- **True-Up at Year-End (Unaudited Actuals):**
  At fiscal year-end, LEAs should verify that expenditures recorded in Resource 8150 and the related contribution meet or exceed 3% of actual General Fund expenditures, including other financing uses. Any necessary adjustments should be recorded prior to closing the books and reflected in the Unaudited Actuals submission.

Journal Entry				
	Fund	**Resource**	**Object**	**Amount**
DEBIT	**0100**	**00000**	**898000**	**$ X,XXX.**
CREDIT	**0100**	**81500**	**898000**	**$ X,XXX.**

- **Audit Requirement:**
  OMMA/RRMA contributions are subject to review for compliance with EC §17070.75 and applicable CSAM guidance. LEAs should maintain supporting documentation for contribution calculations, governing board approvals, maintenance plans, expenditures, and year-end adjustments.

Exceptions for Small School Districts

LEAs are exempt from the mandatory 3% minimum contribution if they meet the following ADA thresholds:

- Elementary Districts: Fewer than 901 ADA
- High School Districts: Fewer than 301 ADA
- Unified Districts: Fewer than 1,201 ADA

Requirements for All LEAs (Regardless of Size):

- All school districts must establish Resource 8150 upon receipt of SFP funds from the State Allocation Board (SAB).
- Certification that facilities can be adequately maintained must be documented and approved by the governing board.

Small District Flexibility:

Exempt LEAs may contribute a locally determined amount if they:

1. Develop a maintenance plan and budget demonstrating how facility needs will be met (CSAM Function 8100).

2. Designate a contribution of less than 3% into Resource 8150, supported by documentation.

3. Certify in an open board meeting that the amount transferred is sufficient to meet facility maintenance needs pursuant to EC §17070.75.

Authorized Uses of OMMA/RRMA Funds

Funds in Resource 8150 may be used for ongoing and major maintenance activities necessary to keep school facilities in good repair, working order, and condition. Use of Resource 8150 is not limited to facilities constructed or modernized with School Facility Program funding.

Funds in Resource 8150 may not be used for activities unrelated to facility maintenance or for expenditures that do not meet the maintenance definitions outlined in CSAM Procedure 650.

Allowable Activities

CSAM Procedure 650 defines maintenance activities as actions that preserve school facilities in an efficient operating condition and help prevent deterioration. Examples of allowable expenditures include:

Maintenance Activity	Object Codes	Description
Roof repair/replacement	5640, 6200	Contracted services or materials for roofing work
HVAC servicing and replacement	5610, 6400	Repairs, new units, system maintenance
Painting and wall treatments	5800, 6400	Interior or exterior surfaces
Flooring and window coverings	5600–5800, 6400	Installation, repairs, or replacement
Cabinetry and fixture maintenance	5600–5800, 6400	Built-in cabinetry, fixtures, and related facility components
Landscaping and fencing	5800, 6400	Groundskeeping, fencing repair, or replacement
Salaries for maintenance staff	2100–2999 (Classified)	Staff time directly tied to maintenance
Benefits for maintenance staff	3101–3999	Corresponding employee benefits

Examples of ongoing and major maintenance activities identified in EC §17070.75 include roofing, painting, flooring, window coverings, fixtures, cabinetry, heating and cooling systems, landscaping, fencing, and similar facility preservation activities. LEAs should consult CSAM Procedure 650 when determining whether expenditures qualify as maintenance, repair, replacement, or capital improvement activities.

INTERFUND TRANSFERS

Interfund transfers are permanent, board-authorized reallocations of funds from one district fund to another. Unlike interfund loans, transfers are not expected to be repaid. Transfers must comply with applicable Education Code provisions, federal regulations, and CSAM guidance.

Common Uses:

- Transfer from the General Fund (Fund 01) to:
  - Fund 13 – Cafeteria Fund for subsidizing food service operations
  - Fund 12 – Child Development Fund to support early education programs
  - Fund 17 – Special Reserve Fund for Other Than Capital Outlay Projects, when authorized by governing board action and consistent with district fiscal plans
  - Fund 71 – Retiree Benefits Fund to fund post-employment benefit obligations
  - Cover uncollectible interfund loans when repayment is not possible and appropriate governing board action has been taken

Coding Example:

Fund	Function	Object	Amount	Description
01	7200	7616	$25,000	Transfer out to Cafeteria Fund
13	0000	8916	$25,000	Transfer in from General Fund

Interfund transfers should not be confused with interfund loans, which are temporary in nature and recorded using Balance Sheet Object Codes 9310 (Due From) and 9610 (Due To).

DEBIT		CREDIT	
761100	From General Fund to Child Development Fund	**891100**	To Child Development Fund from General Fund
761200	Between General Fund and Special Reserve Fund	**891200**	Between General Fund and Special Reserve Fund
761300	To State School Building Fund/County School Facilies Fund from All Other Funds of the District	**891300**	To State School Building Fund/County School Facilities Fund from All Other Funds
761400	From Bond Interest and Redemption Fund to General Fund	**891400**	To General Fund from Bond Interest and Redemption Fund
761600	From General Fund to Cafeteria Fund	**891600**	To Cafeteria Fund from General Fund
761900	Other Authorized Inter-fund Transfers Out	**891900**	Other Authorized Inter-fund Transfers In

To ensure inclusion in the closing fiscal year, permanent transfers should be submitted to FCSS by the annual year end processing deadline. Transfers received after the established deadline may require Due To and Due From entries in the closing fiscal year, with cash processed in the subsequent fiscal year.

Approved transfer requests, accompanied by the applicable board resolution, should be submitted to FCSS before or concurrently with the Unaudited Actuals submission.

Districts should verify that transfer out and transfer in amounts agree between funds and comply with applicable restrictions and governing board actions.

If a permanent transfer cannot be processed by the FCSS year-end deadline, the LEA may record the transfer activity in the closing fiscal year through a journal entry and process the cash transfer in the subsequent fiscal year.

Example General Fund (Fund 01) owes Cafeteria Fund (Fund 13)

STEP 1: Prepare and process a journal entry in the closing year:

Journal Entry – Closing Year					
	Fund	**Resource**	**Goal**	**Function**	**Object**
DEBIT	**0100**	**00000**	**0000**	**9300**	**761000**
CREDIT	**0100**	**00000**	**0000**	**0000**	**961000**
DEBIT	**1300**	**00000**	**0000**	**0000**	**931000**
CREDIT	**1300**	**53100**	**0000**	**0000**	**891600**

STEP 2: In the new year, generate and submit a Permanent Transfer Request with the approved Board Resolution to move the cash:

Inter-fund Transfer Request – New Year					
Object	**Fund**	**Resource**	**Goal**	**Function**	
FROM (DEBIT)	**0100**	**00000**	**0000**	**0000**	**961000**
TO (CREDIT)	**1300**	**00000**	**0000**	**0000**	**931000**

Step 1 records the transfer expenditure and transfer revenue in the closing fiscal year and establishes temporary Due To and Due From balances.

Step 2 clears the Due To and Due From balances when the cash transfer is processed in the subsequent fiscal year.

Although Due To and Due From balances are used for year-end cut off purposes, the transaction remains a permanent interfund transfer because it is recorded using Objects 761x and 891x and no repayment is expected.

DIRECT COSTS

Direct costs are expenditures incurred by a support program or service that directly benefits other programs or functions. Examples include facility maintenance, photocopying, transportation, technology support, or equipment usage. These costs may be initially accumulated in specific accounts or within a central program and later distributed to benefiting programs or funds through direct cost transfers.

Direct cost transfers:

- Ensure accurate program cost accounting by aligning expenditures with the programs that benefit from the services.
- Enhance fiscal transparency and compliance with state and federal reporting requirements.
- Ensure fund and program balances are accurately stated at year end. Proper recording of direct costs may significantly affect expenditures, fund balances, and available cash resources within individual funds.

Best Practice: Before initiating direct cost transfers between funds, review the cash balances and liquidity of receiving and providing funds to avoid negative cash positions.

Direct cost transfers must be balanced and **net to zero** across all affected programs or funds. Both sides of the transaction are recorded using Object Code 5710 – Direct Costs for Interprogram Services:

Action	**Program/Fund Affected**	**Entry Type**
Charge to the program receiving the service	Receiving Program/Fund	**Debit 5710**
Credit to the program providing the service	Service-Providing Program/Fund	**Credit 5710**

Account	Debit	Credit	Description
1300-53100-0-0000-3700-571000-000-00-0000		$20,420.10	TO REC - AUGUST INTERPROG
1300-53200-0-0000-3700-571000-000-00-0000	$20,420.10		TO REC - AUGUST INTERPROG
Totals:	$20,420.10	$20,420.10	

The total debits and credits recorded using Object 5710 must be equal.

Direct cost transfers within the same fund do not affect the fund's overall expenditures or ending fund balance. However, direct cost transfers between funds affect the expenditures and end balances of each fund and should be reviewed for accuracy before year end close.

- [Direct Charged-Cost Coding Examples in CSAM]

SECTION 6:
SPECIAL EDUCATION

SPECIAL EDUCATION

BACKGROUND

The Special Education Maintenance of Effort (MOE) reports are used to determine if a local educational agency (LEA) met the maintenance of effort required by the federal Individuals with Disabilities Education Act (IDEA). In summary, an LEA may not reduce the amount of local, or state and local, funds that it spends for the education of children with disabilities below the amount it spent for the preceding fiscal year. There are two components to the LEA MOE requirement – the eligibility standard and compliance standard.

The eligibility standard requires that, except in specified situations, to find an LEA eligible for IDEA Part B funds for the upcoming fiscal year, the LEA should have budgeted for the education of children with disabilities at least the same amount of local, or state and local funds, as it actually spent for the education of children with disabilities during the most recent year for which information is available. *(34 Code of Federal Regulations Section 300.203(a))*.

The compliance standard requires that, except in specified situations, an LEA should not reduce the level of expenditures for the education of children with disabilities made from local, or state and local funds below the level of those expenditures from the same source for the preceding fiscal year *(34 Code of Federal Regulations Section 300.203(b))*.

The federal Subsequent Years rule requires that the level of effort an LEA must meet in the year after it fails to maintain effort is the level of effort that would have been required in the absence of that failure and not the LEA's actual reduced level of expenditures in the year in which it failed to maintain effort *(34 Code of Federal Regulations Section 300.203(c))*.

To simplify, the Subsequent Years rule requires an LEA to spend at the same level, or more, for the amount of local, or state and local, funds in the current year as it did in the last year the LEA met MOE. Since there are four separate tests an LEA can use to meet MOE, each test will have its own subsequent year.

SOFTWARE

The CDE SACS Web software contains the following reports for use with Special Education reporting. According to the following table, some data will be extracted while other information will require manual entry (See table for specifics.) For the most accurate information for manual entry, refer to the LEA's most recent SEMA & SEMB Data Sheet prepared by the Fresno County SELPA.

IMPORTANT: Before the Special Education current year expenditures can be completed, the PCR and PCRAF forms must be completed and saved. This will bring allocated expenses forward into the MOE form based on the factors used in the PCRAF and will increase the Special Education costs.

MAINTENANCE OF EFFORT BACKGROUND

LEAs that receive Federal Special Education funds must meet a Maintenance of Effort (MOE) requirement. To meet the requirement, the LEA must spend the same amount or more in the test year as it did in the comparison year.

Simple Example

1. *The LEA had expenditures of $126,000 in 2025-26 (the test year).*
2. *The LEA had expenditures of $120,000 in 2024-25 (the comparison year).*
3. *Result: The LEA met its MOE requirement as $126,000 is greater than $120,000.*

There are some particulars to the MOE test:

- There are two test years: One for the eligibility standard and one for the compliance standard.
- Each test year has four tests: (1) State and Local Total test, (2) State and Local Per Capita test, (3) Local Only Total test, and (4) Local Only Per Capita test.
- There are two SACS year-end reports called SEMA and SEMB. There will be a final Subsequent Year Tracking (SYT) Worksheet prepared and provided by the SELPA. The SYT requires a signature from an authorized agent.
- The expenditures tested are for special education and related services.
- The expenditures tested were charged to state and/or local funds.
- An LEA may be able to reduce its level of effort using either exempt reductions or federal reductions.
- Not meeting MOE could have penalties.

LEA REQUIREMENT

LEAs test MOE when they prepare their year-end reports. The LEA will test both the year it is closing (for compliance) and the new budget year (for eligibility). For the 2025-26 Year End Closing, this will be the 2025-26 actual expenditures (for compliance) and the 2026-27 budgeted expenditures (for eligibility). In the SACS Web System, these tests are completed using Report SEMA (for compliance) and Report SEMB (for eligibility).

Note: The Fresno County SELPA also requires LEAs to test MOE when they prepare their second interim reports.

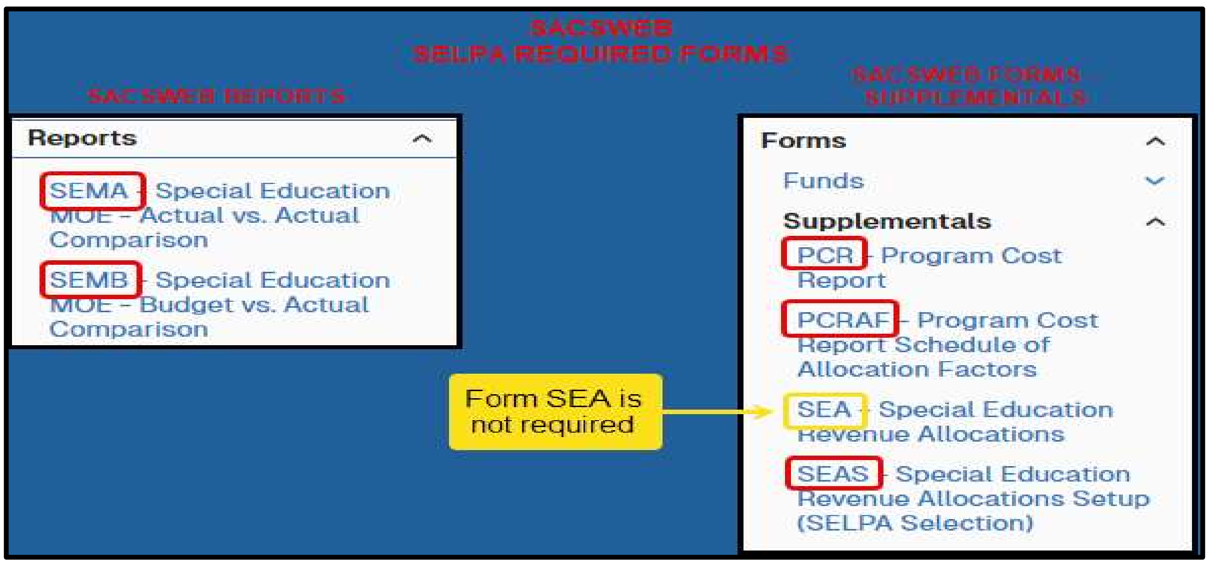
INSTRUCTIONS AND GUIDANCE

The Fresno County SELPA developed the following web pages that provide MOE instructions and guidance:

- [MOE Instructions and Timeline]
- [MOE Test Years]
- MOE [Tests]
- MOE [Subsequent Years Rule]
- [MOE Reports]
- [MOE Account Codes]
- [MOE Exempt Reductions]
- [MOE Federal Reductions]
- [Not Meeting MOE]
- [MOE Tool]
- [MOE Helpful Tips]
- [MOE FAQs]
- [MOE References]

REQUIRED YEAR-END DOCUMENTS

- Report SEMA Actual vs Actual Comparison in SACS Due 9/15/20XX
- Report SEMB Budget vs Actual Comparison in SACS Due 9/15/20XX
- Excess Cost Calculation Due 9/15/20XX



<u>1. Begin testing **SEMA in SACS**</u>:

a. Complete PCR
b. Complete PCRAF
c. Complete SEAS
d. Complete SEMA
e. "LEA Exps CY" Tab: Enter Pupil Count
f. "LEA Exps PY" Tab: Enter immediate prior year expenditures
g. "LEA MOE Calc" Tab (This is the heart of the report):
h. Section 1 – Exempt Reductions
i. Section 2 – Federal 50% Reductions (not applicable to most LEAs)
j. Section 3-Test 1 – State and Local Total data
k. Section 3-Test 2 – State and Local Per Capita data
l. Section 3-Test 3 – Local Only Total data
m. Section 3-Test 4 – Local Only Per Capita data
n. Review Section 3 for MOE Compliance (a positive number in column C)
o. Select "**Ready to Submit**" button in the SEMA report at the upper right

<u>2. Finish with **SEMB in SACS**</u>**:**

p. "LEA Budget" Tab: Enter Pupil Count
q. "LEA Exps" Tab: Enter immediate prior year expenditures
r. "LEA MOE Calc" Tab (This is the heart of the report):
s. Section 1 – Exempt Reductions
t. Section 2 – Federal 50% Reductions (not applicable to most LEAs)
u. Section 3-Test 1 – State and Local Total data
v. Section 3-Test 2 – State and Local Per Capita data
w. Section 3-Test 3 – Local Only Total data
x. Section 3-Test 4 – Local Only Per Capita data
y. Review Section 3 for MOE Compliance (a positive number in column C)
z. Select "**Ready to Submit**" button in the SEMA report at the upper right

- ***After September 15th, changes to the Unaudited Actuals will require reopening of the financial books and may require governing board re-approval.***
- ***After October 15th, no changes are allowed to the Unaudited Actuals.***

OTHER REPORTS DUE AROUND YEAR-END

In addition to the MOE and Excess Cost reports, LEAs must also complete and submit the following key special education fiscal reports and claims to remain compliant with state and federal guidelines:

- Federal IDEA Expenditure Reports
    - Consolidated Report #3 – Due July 15, 20XX
    - Consolidated Report #4 – Due September 30, 20XX
- Reimbursement Claims for Legal Costs – Due July 31, 20XX
- State Extraordinary Cost Pool Claims – Due October 15, 20XX
- IDEA Sub-Recipient Assurance – Due October 15, 20XX

Timely submission of these reports ensures proper reconciliation of expenditures, facilitates funding accuracy, and avoids audit exceptions.

SPED Maintenance of Effort (MOE) Monitoring Tool

To assist with annual Maintenance of Effort testing and compliance tracking, LEA's may participate in July in a 15-minute on-line review of their MOE status using the MOE Tool. Contact the Fresno County SELPA to schedule a time.

SUPPORT & CONTACT

If you have questions or need assistance with Special Education fiscal reporting or MOE requirements, please contact:

Eddie Davidson
Director of Fiscal Student Services
edavidson@fcoe.org
559-265-3047

ADDITIONAL RESOURCES: FCSS SELPA WEBSITE

The FCSS SELPA website provides comprehensive guidance and tools for Special Education funding and compliance.

Navigation Menu Highlights:

About Us	**Services**	**Forms**
Meetings	**Prof Dev**	**Contact**
MOE	**CAC**	

Funding

- Source of Funds
- Funding Allocation
- Financial Reporting
  - Maintenance of Effort (MOE)
  - Excess Costs
  - Federal IDEA Expenditure Reports
  - Private School Proportionate Share Assurance
  - Annual Budget Plan
  - Reimbursement Claims for Legal Costs
  - WorkAbility Expenditure Reports
  - Extraordinary Cost Claims
  - Due Dates
- Accounting
- Use Of Funds

SECTION 7:

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)

All GASB statements can be found in link.

Please consult your auditor for all GASB requirements.

GASB 31

GASB 31, Fair Market Value, requires investments held in the County Treasury investment pool to be reported at fair value for financial reporting purposes. Contact your LEA's auditor for guidance regarding year end fair value adjustment requirements and the procedures outlined in CSAM Procedure 425.

To Calculate the fair value adjustment, you will need:

- Fair Market Value Calculation Template
- June Investment Pool Statement from the Fresno County Treasurer

  Quarterly Investment Reports

- Cash in the County Treasurer's Office by Fund as of June 30
- Unrealized gains and losses are reported in objects 8662 and 9111:
  - Loss – Debit 8662 and Credit 9111
  - Gain – Debit 9111 and Credit 8662

THE COUNTY OF FRESNO 1856

Quarterly Investment Repor

As of June 30, 202

P.O. Box 1247 | Fresno, CA 93715 | Telephone 559.600.5487 |

County of Fresno 6/30/20

Summary of Portfolio

	June 2023	March 2023	December 2022	September 2022	June 2022
Market Value	$7,221,872,874	$6,874,891,359	$6,672,011,496	$5,500,287,958	$6,012,424,829
Amortize Cost Value	$7,565,068,380	$7,151,730,923	$7,021,822,855	$5,876,834,741	$6,258,299,137
Unrealized Gain/Loss % on cost	-4.54%	-3.87%	-4.98%	-6.41%	-3.93%
Yield (weighted on cost value)	2.60%	2.44%	2.30%	1.78%	1.43%
Years to Maturity (weighted on cost value)	2.36	2.42	2.37	2.58	2.32
Avg Dollar-Weighted Quality Rating	AA+	AA+	AA+	AA+	AA+

Cash in County (9110) FMV Calculation as of 6/30

Market Value as of 6/30	$ 7,221,872,874	June 2022 investment pool statement (Support tab)
Cost Value as of 6/30	$ 7,565,068,380	June 2022 investment pool statement (Support tab)
FMV Rate (Market Value Divided by Cost Value)	95.46%	

Note: Input your Cash in County (9110) balances as of June 30 for each applicable

	01 General	13 Cafeteria	14 Deferred Maintenance	15 Transportation	2103 Building	2107 Building	2108 Building	25 Capital Facilities	4000 Special Reserve Capital
Cash in County (9110) as of 6/30	23,139,201	557,806	1,685,033	2,508	868,985	2,509,513	11,886,350	1,608,723	15,659
Calculated FMV of Cash in County (using FMV rate shown above)	22,089,472	532,500	1,608,590	2,394	829,563	2,395,667	11,347,116	1,535,742	14,949
Variance	1,049,729	25,305	76,443	114	39,422	113,846	539,234	72,981	710
FMV Adjustment (9111) to be posted by District	(1,049,729)	(25,305)	(76,443)	(114)	(39,422)	(113,846)	(539,234)	(72,981)	(710)
Variance after FMV Adjustment posted by District	-	-	-	-	-	-	-	-	-

Journal Entries to Adjust FMV of Cash in County as of 6/30

Fund	Object	Object Description	DR	CR	Formula Check (Must be Zero)
01	9111	Fair Value Adjustment to Cash in County Treasury	-	1,049,729	
01	8662	Net Increase (Decrease) in the Fair Value of Investments	1,049,729	-	-
13	9111	Fair Value Adjustment to Cash in County Treasury	-	25,305	
13	8662	Net Increase (Decrease) in the Fair Value of Investments	25,305	-	-
14	9111	Fair Value Adjustment to Cash in County Treasury	-	76,443	
14	8662	Net Increase (Decrease) in the Fair Value of Investments	76,443	-	-
15	9111	Fair Value Adjustment to Cash in County Treasury	-	114	
15	8662	Net Increase (Decrease) in the Fair Value of Investments	114	-	-
2103	9111	Fair Value Adjustment to Cash in County Treasury	-	39,422	
2103	8662	Net Increase (Decrease) in the Fair Value of Investments	39,422	-	-
2107	9111	Fair Value Adjustment to Cash in County Treasury	-	113,846	
2107	8662	Net Increase (Decrease) in the Fair Value of Investments	113,846	-	-
2108	9111	Fair Value Adjustment to Cash in County Treasury	-	539,234	
2108	8662	Net Increase (Decrease) in the Fair Value of Investments	539,234	-	-
25	9111	Fair Value Adjustment to Cash in County Treasury	-	72,981	
25	8662	Net Increase (Decrease) in the Fair Value of Investments	72,981	-	-
4000	9111	Fair Value Adjustment to Cash in County Treasury	-	710	
4000	8662	Net Increase (Decrease) in the Fair Value of Investments	710	-	-

Recording the Fair Value Adjustment

Using the Fair Market Value Calculation Template provided by your auditor, prepare a journal entry to record the annual fair value adjustment.

- Object 9111 – Fair Value Adjustment to Cash in County Treasury
- Object 8662 – Net Increase (Decrease) in the Fair Value of Investments.

For accurate financial reporting, record the adjustment separately for each four-digit fund. Do not combine adjustments into a single fund. For example, Funds 2103, 2107, and 2108 should each be adjusted individually rather than combined into Fund 21.

Sample Data:

Calculated Fair Value adjustment, ending prior year		($500,000)
Calculated Fair Value adjustment, ending closing year	less	($300,000)
Net Increase (Decrease) in Fair Value for the closing year		$200,000

Prior Year Balances

District Unaudited Actuals Ending Fund Balance, Fund 51	$19,500,000
County Auditor-Controller Reported Ending Fund Balance	$20,000,000

Recommended Method:
Reverse the entire Fair Market Value adjustment recorded in the prior year using Object 9111 and Object 8662, then record the closing year Fair Value Adjustment.

Note: Before recording the closing year fair value adjustment, review any audit adjustments posted during the year and the existing balances in Objects 9111 and 8662. Audit entries may represent the prior year fair value adjustment, the reversal of the prior year fair value adjustment, or both. The objective is to clear the General Ledger of prior fair value adjustment activity before recording the closing year fair value adjustment in accordance with the Recommended Method below.

To reverse the Prior-Year Fair Value Adjustments
If the General Ledger shows a credit balance carried forward in 9111, reverse it accordingly. If the balance carried forward is a debit balance, credit 9111 and debit 8662.

Fund	Object Code	Debit	Credit
XX	Object 9111 – Fair Value Adjustment to Cash in County Treasury	$500,000	
XX	Object 8662 – Net Increase (Decrease) in the Fair Value of Investments		$500,000

To record the Closing Year Fair Value Adjustments
Use the Fair Market Value Calculation Template provided by your auditor.

Fund	Object Code	Debit	Credit
13	Object 8662 – Net Increase (Decrease) in the Fair Value of Investments	$25,305	
13	Object 9111 – Fair Value Adjustment to Cash in County Treasury		$25,305

GASB 34

GASB 34 established the current governmental financial reporting model, including government-wide financial statements, Management's Discussion and Analysis (MD&A), and capital asset reporting.

Although most GASB 34 reporting requirements are completed as part of the annual audit process, LEAs are responsible for maintaining accurate records to support government-wide financial statement reporting.

Year-End Review Procedures

- Review capital asset additions recorded during the fiscal year.
- Review disposals, retirements, and transfers of capital assets.
- Reconcile construction in progress balances, if applicable.
- Maintain supporting documentation for buildings, equipment, vehicles, and other capital assets.
- Provide supporting documentation requested by auditors for government-wide financial statement reporting.

Why It Matters

Accurate capital asset reporting supports compliance with generally accepted accounting principles (GAAP), government-wide financial statement reporting, and the annual audit process.

Additional Resources

- CDE GASB 34 FAQs – For additional guidance and frequently asked questions.

GASB 68

GASB 68 requires Local Educational Agencies (LEAs) to recognize the State's contribution to CalSTRS made on behalf of eligible employees. These contributions are recorded using Resource 7690 and are commonly referred to as STRS On-Behalf.

STRS ON-BEHALF CONTRIBUTION RATES

Each May, the Senior Director of District Financial Services sends the closing year STRS On-Behalf contribution rates via email. These rates are necessary to complete the STRS On-Behalf Analysis Spreadsheet.

The STRS On-Behalf entry should be posted as one of the last steps in the year-end closing process, after all payroll corrections, benefit reclassifications, and other year-end adjustments affecting CalSTRS expenditures have been completed.

STRS On-Behalf Journal Entry

- Credit: Resource 7690 / Object 8590
- Debit: Expenditure Objects 3101XX / 3102XX

This journal entry recognizes the State's contribution to CalSTRS for LEA employees and ensures compliance with GASB 68 and generally accepted accounting principles (GAAP).

LEAs may request FCSS to prepare this entry as part of the year-end closing process—after completing all internal revisions and reclassifications.

To complete the STRS On-Behalf Analysis Spreadsheet, please follow the steps below:

Exporting a .dat file from Everest.

Step 1: Enter the Correct Fiscal Year

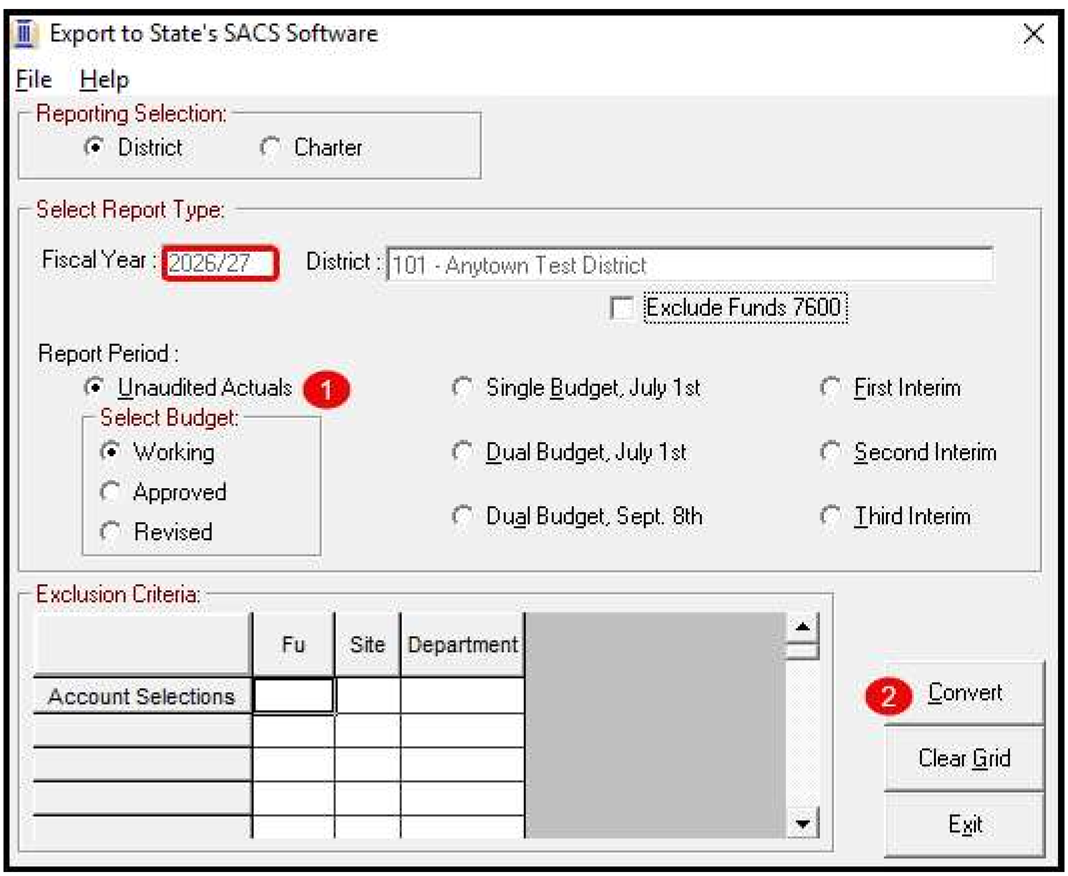
- In Everest, use the new budget year for exporting Unaudited Actuals.
  Example: Closing 2025-26, Enter Fiscal Year 2027.

STEP 2: Export SACS Data

- Navigate to:
  Everest > (1) Processes > (2) SACS Export > (3) Export SACS Data

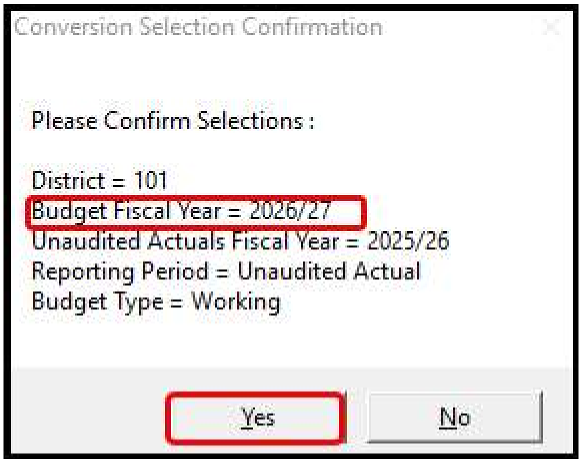
STEP 3: Convert for State SACS Software

- Confirm:
  - (1) Report Period is set to Unaudited Actuals
  - (2) Click Convert



STEP 4: Confirm Fiscal Year

- A pop-up will appear—ensure it matches the closing year.
- Click **Yes** to proceed.

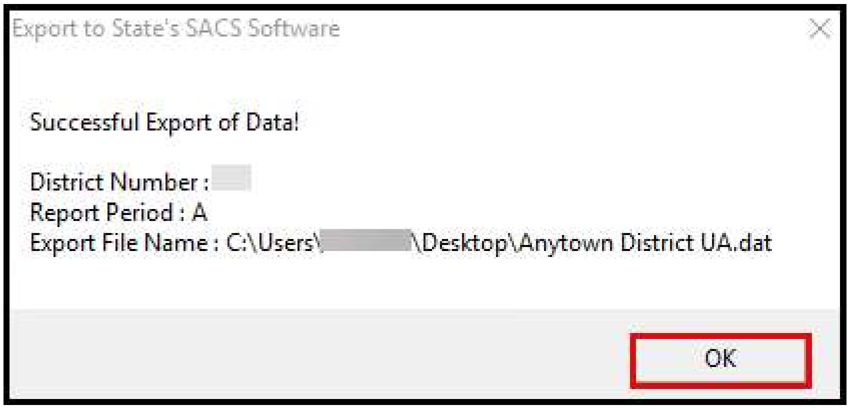


STEP 5: Save the File

- Save in a clearly labeled and accessible folder.
- The file type must be .dat. If not, add .dat to the filename manually.

STEP 6: Confirmation

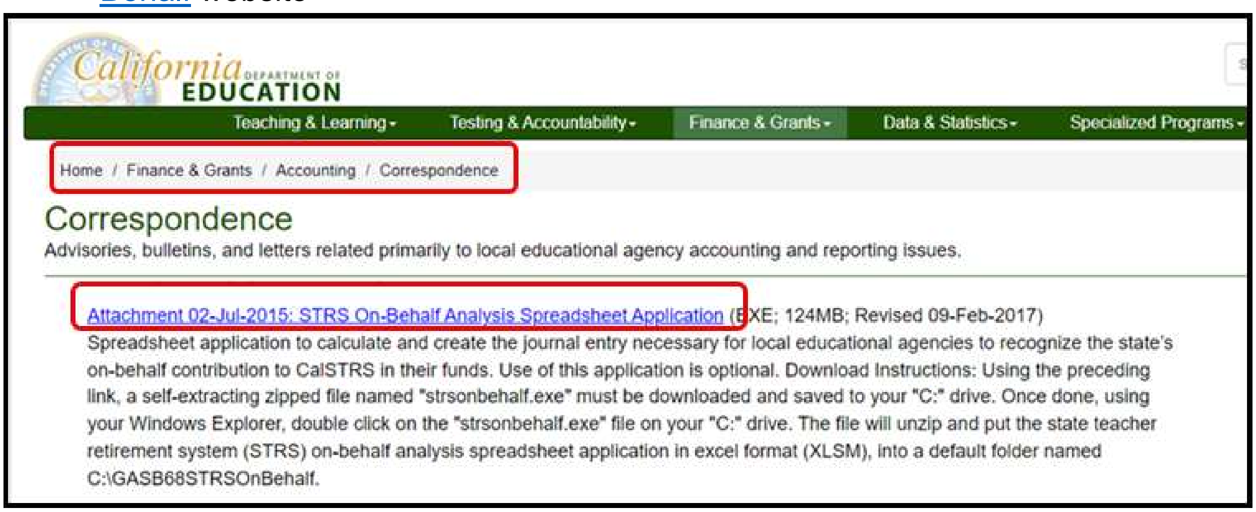
- A message will confirm a successful export for Report Period A.
- Click **OK**.



Completing the STRS On-Behalf Analysis Spreadsheet

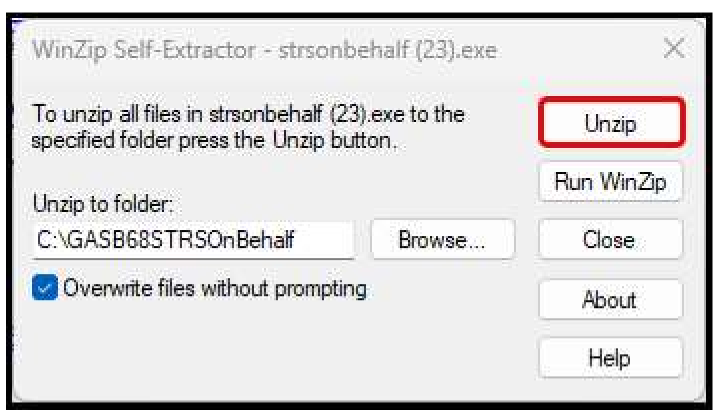
STEP 1: Download the Spreadsheet

- **Open** STRS On-Behalf Analysis Spreadsheet or found on the CDE STRS On-Behalf website



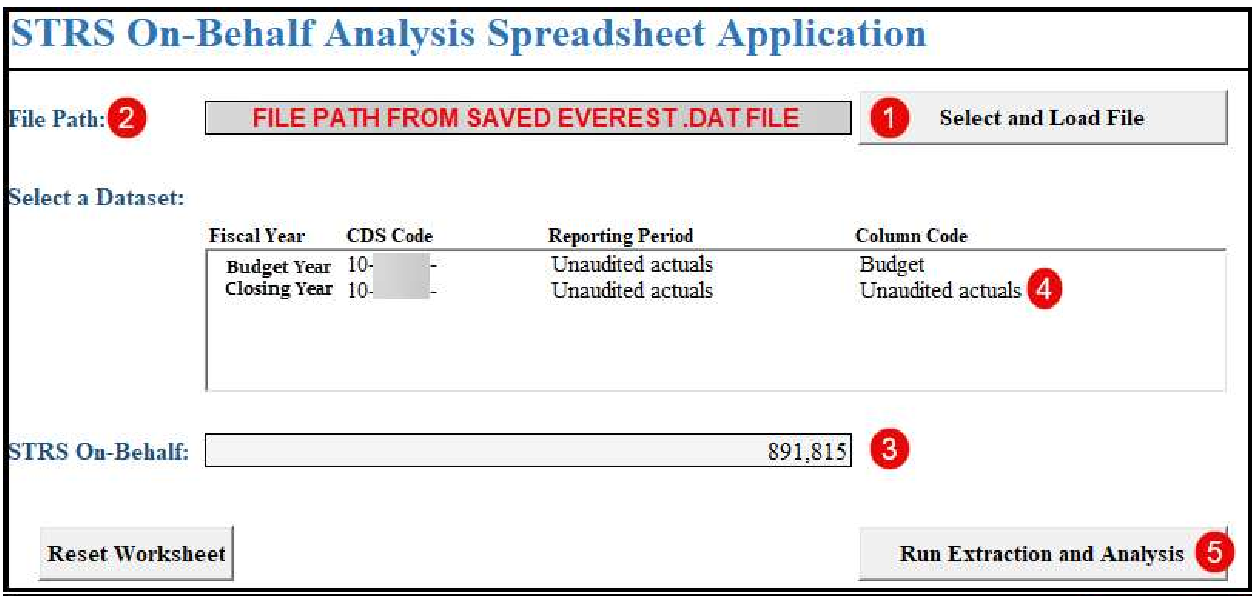
STEP 2: Unzip the File

- Once downloaded, click Unzip
- The file folder GASB68STRSOnBehalf will appear on your C: drive
- Open the STRSONBEHALF Excel file

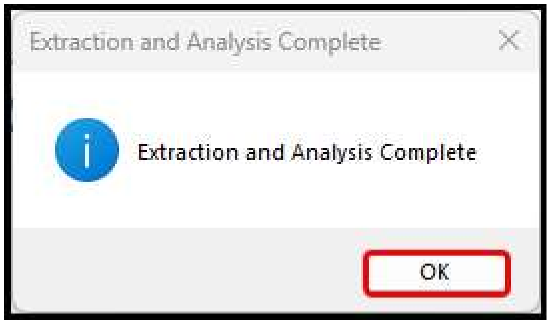


STEP 3: Import the .dat File

- Go to the Import Selection tab
- Follow these steps:
    a. Select and load your previously saved .dat file
    b. Confirm the file path appears in the spreadsheet
    c. Enter your LEA's contribution amount (see STRS On-Behalf 6.3.2026 Email).
    d. Select Unaudited Actuals
    e. Click Run Extraction and Analysis
        i. Click OK on the confirmation pop-up



Fresno County School Districts CalSTRS On-Behalf Calculation Employer	Employer Contributions	Total Employer Contributions	Recalculated Proportionate Share % Based on Total Employer Contributions	Estimated State Contributions	CalSTRS-Calculated Proportionate Share %	3 On-Behalf Contributions
Fresno County Office of Education	8,969,483	8,600,576,193	0.104%	4,265,221,216	0.10428900%	4,448,157
Alvina Elementary	171,140	8,600,576,193	0.002%	4,265,221,216	0.00199000%	84,878
Big Creek Elementary	76,136	8,600,576,193	0.001%	4,265,221,216	0.00088500%	37,747
Burrel Union Elementary	135,681	8,600,576,193	0.002%	4,265,221,216	0.00157800%	67,305
Caruthers Unified	1,798,317	8,600,576,193	0.021%	4,265,221,216	0.02090900%	3 891,815
Clovis Unified	49,588,104	8,600,576,193	0.577%	4,265,221,216	0.57656700%	24,591,858
Clay Joint Elementary	240,202	8,600,576,193	0.003%	4,265,221,216	0.00279300%	119,128



STEP 4: Generate the Journal Entry

- Go to the Journal Entry tab
- The spreadsheet will auto-generate the journal entry
- Verify:
    1. Debits and credits match the contribution amount entered in Step 3
    2. Adjust the largest account string(s) if rounding is needed to balance the entry
- Print the journal entry
- Post the entry into the Everest Financial System

Journal Entry

CDS Code:	10-XXXXX-							
Fiscal Year:	**Closing Year**							
Reporting Period:	Unaudited actuals							
Column Code:	Unaudited actuals							
Account String	**Fund Code**	**Resource Code**	**Project Year**	**Goal Code**	**Function Code**	**Object Code**	**Debit Value**	**Credit Value**
0176900000000008590	01	7690	0	0000	0000	8590		883,460
1176900000000008590	11	7690	0	0000	0000	8590		8,355
0176900000021003101	01	7690	0	0000	2100	3101	21,911	
0176900000024903101	01	7690	0	0000	2490	3101	15,814	
0176900000024953101	01	7690	0	0000	2495	3101	20,645	
0176900000027003101	01	7690	0	0000	2700	3101	54,155	
0176900000031103101	01	7690	0	0000	3110	3101	42,794	
0176900000031203101	01	7690	0	0000	3120	3101	5,716	
0176900000071003101	01	7690	0	0000	7100	3101	22,135	
0176900000072003101	01	7690	0	0000	7200	3101	12,848	
0176900111010003101	01	7690	0	1110	1000	3101	531,071	
0176900111021403101	01	7690	0	1110	2140	3101	1,531	
0176900111040003101	01	7690	0	1110	4000	3101	1,332	
0176900111041003101	01	7690	0	1110	4100	3101	1,311	
0176900111042003101	01	7690	0	1110	4200	3101	2,739	
0176900320010003101	01	7690	0	3200	1000	3101	5,512	
0176900320027003101	01	7690	0	3200	2700	3101	7,003	
0176900380010003101	01	7690	0	3800	1000	3101	39,475	
0176900576011103101	01	7690	0	5760	1110	3101	15,691	
0176900576011203101	01	7690	0	5760	1120	3101	41,064	
0176900576011903101	01	7690	0	5760	1190	3101	240	
0176900576021003101	01	7690	0	5760	2100	3101	2,334	
0176900576031203101	01	7690	0	5760	3120	3101	12,000	
0176900576031503101	01	7690	0	5760	3150	3101	6,802	
0176900711010003101	01	7690	0	7110	1000	3101	19,146	
0176900711024903101	01	7690	0	7110	2490	3101	193	
1176900711010003101	11	7690	0	7110	1000	3101	6,019	
1176900711027003101	11	7690	0	7110	2700	3101	2,334	
Total						3	**891,815**	**891,815**
Checksum (total credit value less total debit value) (should be zero).								

RESOURCES

CALSTRS FAQs GASB 68 - Guidance on calculating and reporting STRS On-Behalf contributions

Additional CalSTRS information can be found here

CDE Guidance

Refer to the July 2, 2015, CDE Letter for further clarification.

GASB 74 AND 75

GASB 74 establishes financial reporting requirements for Other Postemployment Benefit (OPEB) plans administered through qualifying trusts. Examples of OPEB benefits include retiree health, dental, and vision benefits.

Year-End Review Procedures

- Determine whether the LEA participates in an OPEB trust.
- Verify that current trust reports and supporting documentation are available.
- Coordinate with the OPEB trust administrator and auditor regarding any required disclosures.
- Maintain documentation supporting trust assets, contributions, and investment activity.

Why It Matters

Accurate reporting of OPEB trust activity supports compliance with generally accepted accounting principles (GAAP) and the annual audit process.

GASB 75 establishes accounting and financial reporting requirements for employer OPEB obligations, including retiree health, dental, and vision benefits.

LEAs that provide OPEB benefits are required to report OPEB-related liabilities, expenses, deferred outflows, deferred inflows, and required supplementary information in their audited financial statements.

Year-End Review Procedures

- Determine whether the LEA provides OPEB benefits.
- Verify that a current GASB 75 actuarial valuation or roll forward report is available.
- Review the actuarial report for significant changes in liabilities, contributions, assumptions, or trust assets.
- Maintain supporting documentation and provide requested information to auditors.
- Coordinate with the actuarial firm and auditor regarding any required year-end entries or disclosures.

Why It Matters

Accurate OPEB reporting supports compliance with generally accepted accounting principles (GAAP) and ensures long term postemployment benefit obligations are properly reflected in the audited financial statements.

GASB 87 AND 96

GASB 87 establishes accounting and financial reporting requirements for lease agreements. Under GASB 87, most leases are reported as a right to use asset and a corresponding lease liability in the audited financial statements.

Year End Review Procedures

- Review all lease agreements, including equipment, facilities, copiers, vehicles, and other leased assets.
- Identify new lease agreements entered into during the fiscal year.
- Review amendments, extensions, renewals, and terminations of existing lease agreements.
- Maintain documentation supporting lease terms, payment schedules, interest rates, and ownership provisions.
- Provide lease agreements and supporting documentation requested by auditors.

Why It Matters

Accurate lease reporting supports compliance with generally accepted accounting principles (GAAP) and ensures lease obligations are properly reflected in the audited financial statements.

GASB 96 establishes accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITAs). An SBITA is a contract that conveys the right to use information technology software for a specified period in exchange for payment.

Examples may include:

- Enterprise Resource Planning (ERP) systems
- Student Information Systems (SIS)
- Payroll and Human Resources systems
- Transportation software
- Special education software
- Cloud-based software platforms and Software as a Service (SaaS) agreements

Year-End Review Procedures

- Review software subscription agreements entered into during the fiscal year.
- Identify new, amended, renewed, or terminated software subscription agreements.

- Maintain copies of contracts, amendments, payment schedules, and implementation documents.
- Coordinate with Information Technology staff, software administrators, and auditors to identify agreements that may qualify as SBITAs, including contracts that may not be processed through the business office.
- Provide supporting documentation requested by auditors.

Why It Matters

Certain software subscription agreements may require recognition of a subscription asset and subscription liability in the audited financial statements. Accurate identification and reporting of SBITAs supports compliance with generally accepted accounting principles (GAAP) and the annual audit process.

GASB 101

GASB 101 establishes accounting and financial reporting requirements for compensated absences, including vacation leave, compensatory time, paid time off, and certain sick leave benefits.

Year-End Review Procedures

- Verify that employee leave balances are current and accurately reported.
- Review vacation, compensatory time, and other leave balances that may result in future payments to employees.
- Coordinate with Human Resources and Payroll staff to ensure leave records agree with payroll system records.
- Maintain supporting documentation for compensated absence balances and related payouts.
- Provide leave-balance reports and supporting documentation requested by auditors.

Why It Matters

Accurate reporting of compensated absences supports compliance with generally accepted accounting principles (GAAP) and helps ensure employee leave obligations are properly reflected in the audited financial statements.

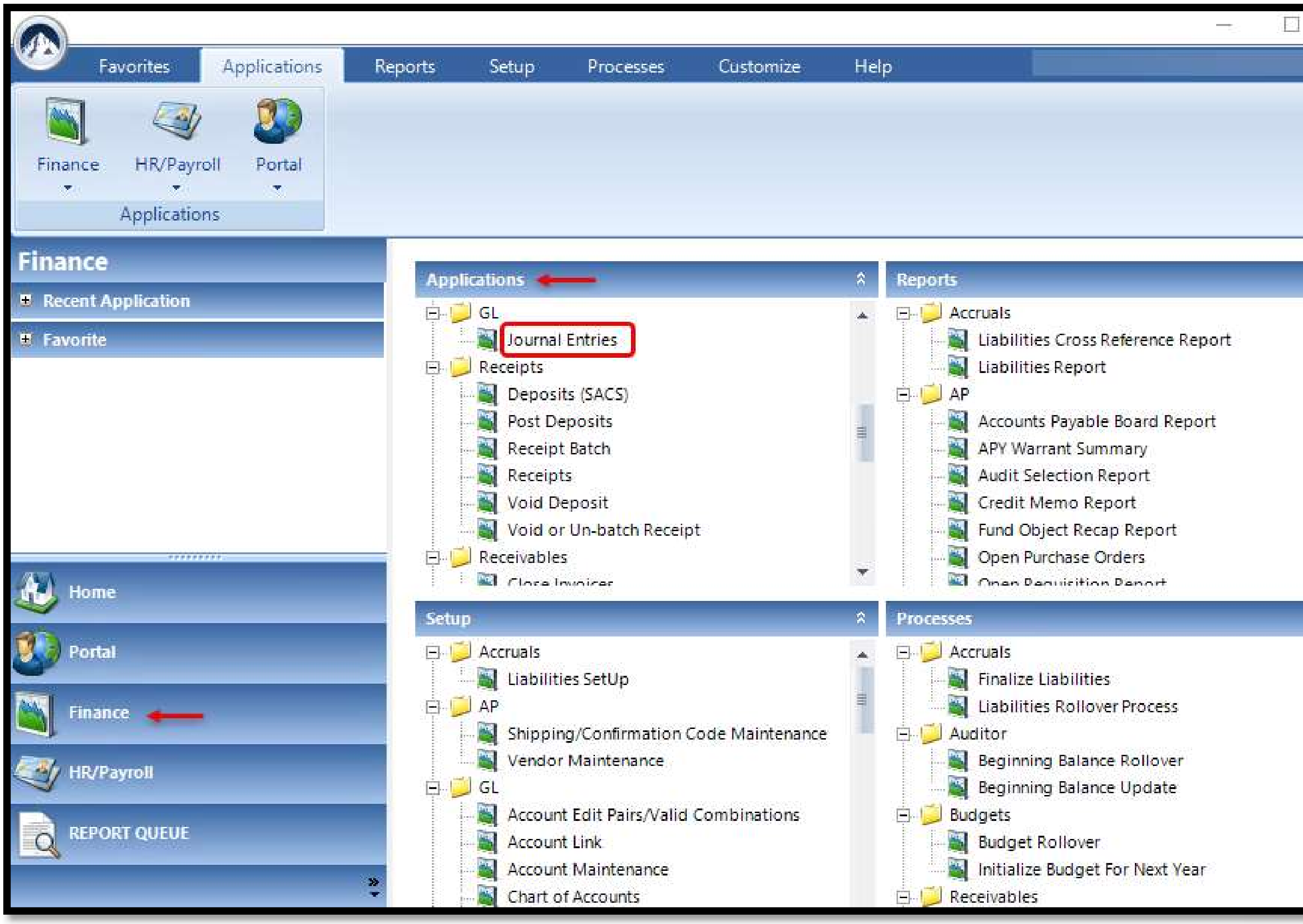
SECTION 8:

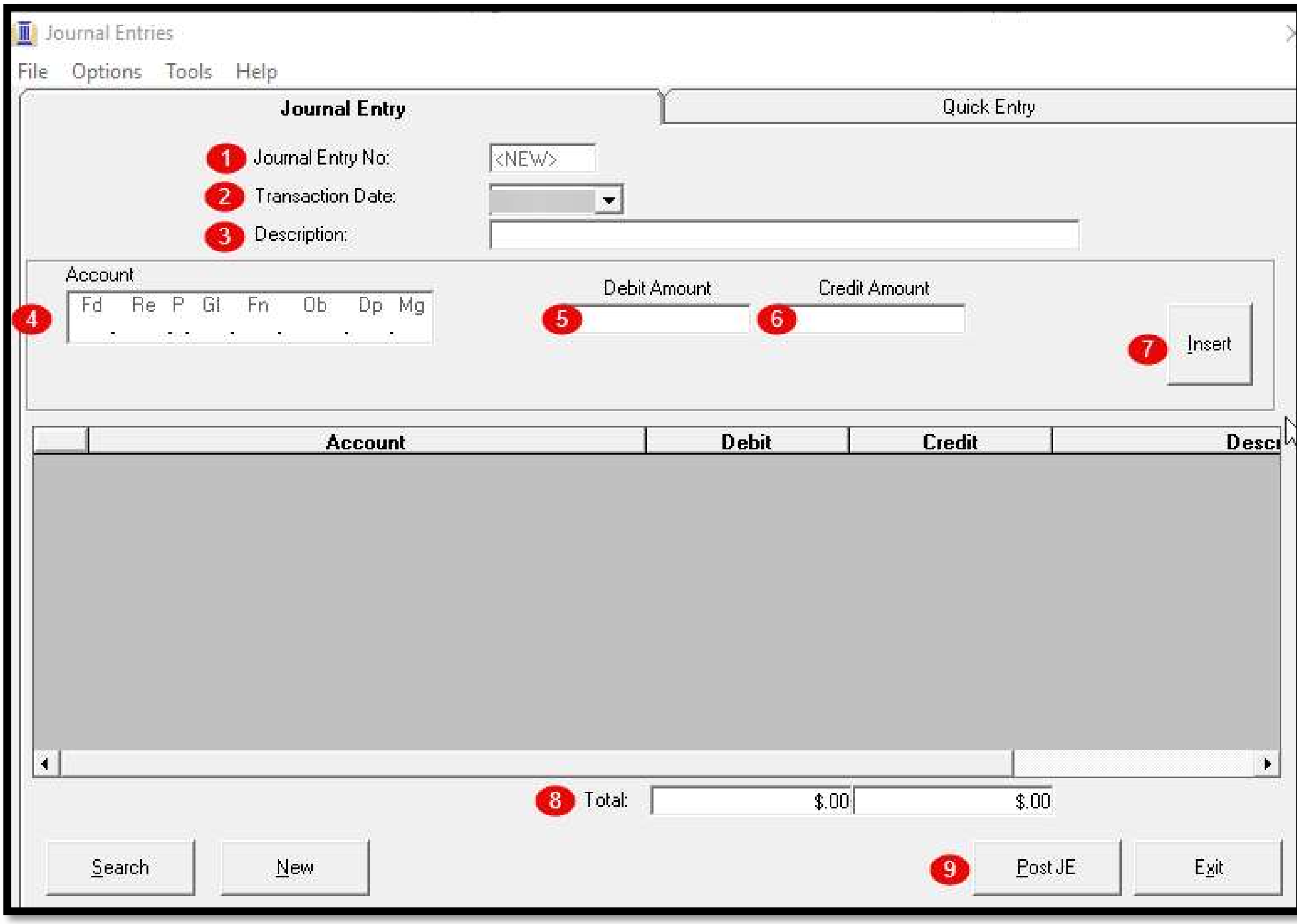
EVEREST APPLICATIONS & REPORTS

This section includes common applications used in our Everest System.

JOURNAL ENTRY APPLICATION

To create a Journal Entry from within the Everest Remote Desktop application, click on the Finance section on the panel located on the left-hand side. In the Applications window, expand the GL folder and select Journal Entries.



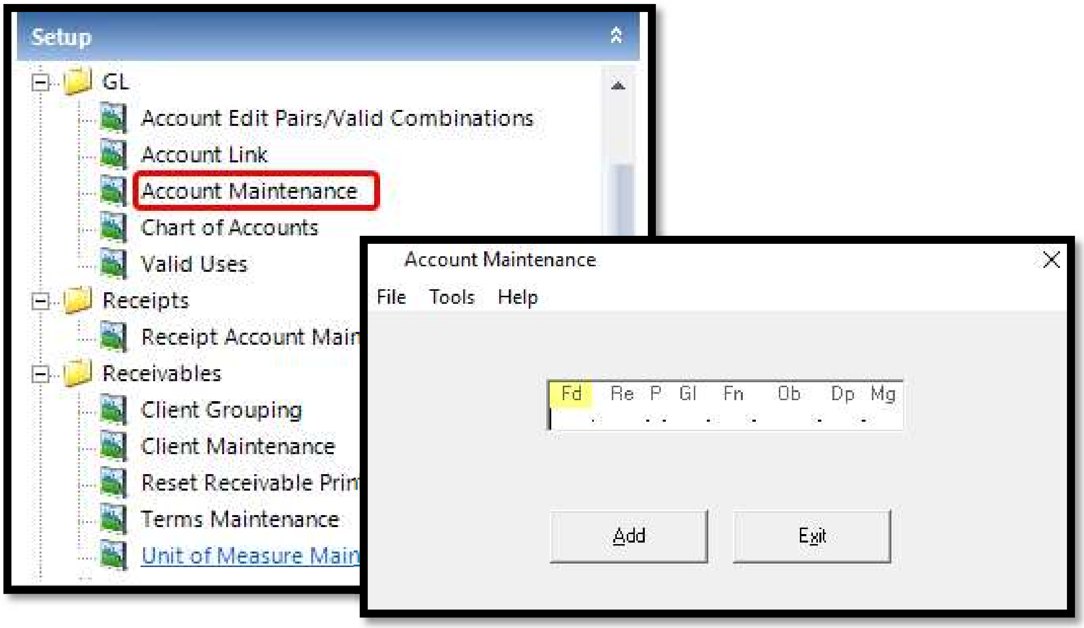


1. **Journal Entry No.** When creating a new Journal Entry, this field will show “<NEW>” and a JE number will be created once it is posted. If reviewing an existing JE, the JE number will populate this field.

2. **Transaction Date** This date defaults to the current date but can be edited by selecting a different date from the drop-down menu. This is used as the posting date for the Journal Entry.

3. **Description** For each line in the Journal Entry, a description must be entered as justification for each debit or credit.

4. **Account Line** Specify the account line to be debited or credited.
    a. If the account line does not exist, go to the Account Maintenance to add the line.



5. **Debit Amount** Specify the amount debited to the specified account line and click *Insert*.

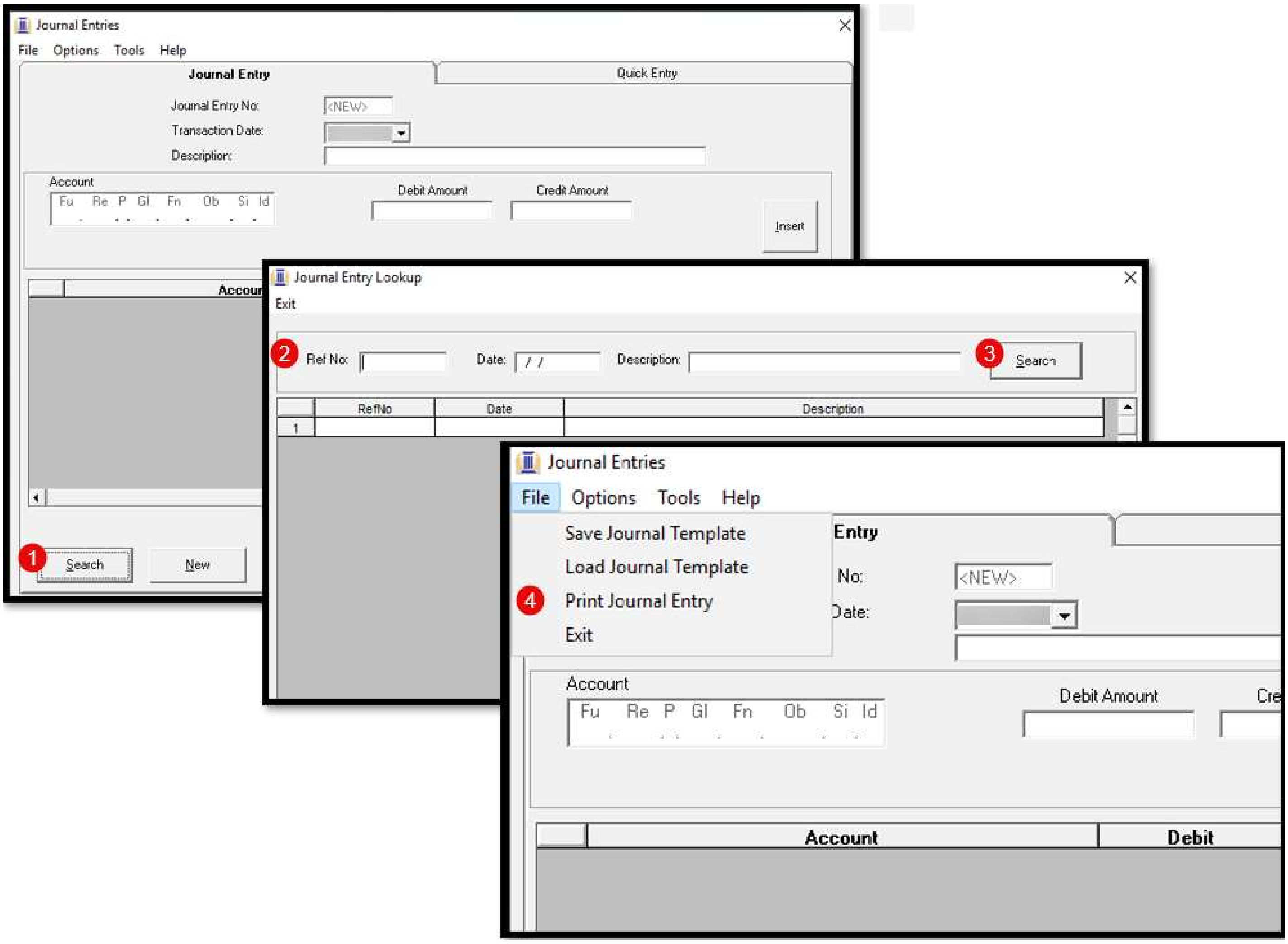
6. **Credit Amount** Specify the amount credited to the specified account line and click *Insert*.

7. **Insert** Click this button to insert the account line and corresponding debits/credits into the Journal Entry.

8. **Total** Verify that total debits are equal to total credits before Posting JE.

9. **Post JE** Click here to post the Journal Entry once finished inserting lines.
    a. Once the JE Posts you will get a confirmation screen with the JE number on it:

Once a Journal Entry has been posted, the user can search for it and/or print it.



Searching for a Journal Entry:

1. In the Journal Entries screen, click Search.

2. The Journal Entry Lookup screen will pop up. The user can search for a Journal Entry by entering the JE number (Ref No), Posting Date, or Description.

3. Click Search.

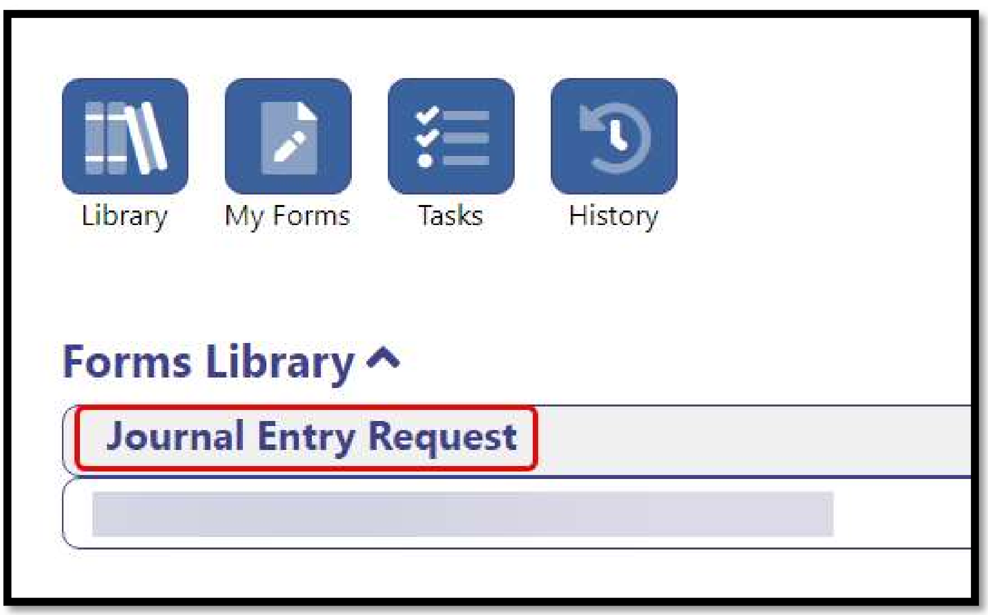
Printing a Journal Entry:

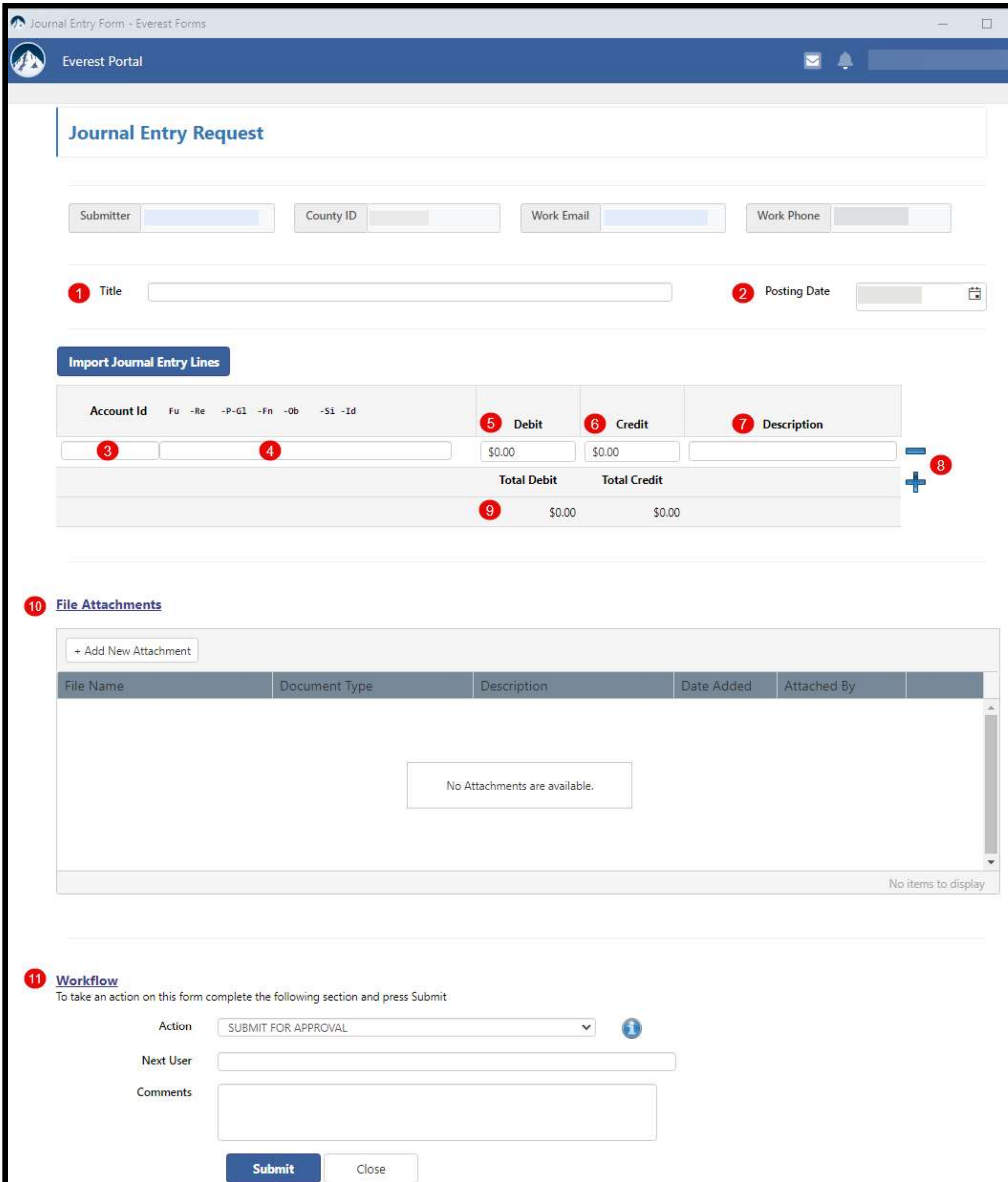
4. In the Journal Entries screen, click File and select Print Journal Entry from the drop-down menu.

JOURNAL ENTRY WITHIN THE EVEREST PORTAL

To create a Journal Entry from within the Everest Portal, click on the Forms icon.

Select the Journal Entry Request form option.





Journal Entry Form - Everest Forms

Everest Portal

Journal Entry Request

Submitter		County ID		Work Email		Work Phone	

1 Title

2 Posting Date

Import Journal Entry Lines

Account Id Fu -Re -P-Gl -Fn -Ob -Si -Id		5 Debit	6 Credit	7 Description
3	4	$0.00	$0.00	
		Total Debit	Total Credit	
	9	$0.00	$0.00	

8

10 **File Attachments**

+ Add New Attachment

File Name	Document Type	Description	Date Added	Attached By

No Attachments are available.

No items to display

11 **Workflow**

To take an action on this form complete the following section and press Submit

Action: SUBMIT FOR APPROVAL

Next User

Comments

Submit | Close

1. **Title** This field is free form and is used to describe the overall purpose of the Journal Entry. This field is required.

2. **Posting Date** This date defaults to the current date but can be edited by selecting a different date from the drop-down menu. This is used as the posting date for the Journal Entry.

3. **Account ID** This field is populated with an Account ID once each account line is entered. DO NOT ENTER THE DATA IN THIS FIELD.

4. **Account Line** Specify the account line to be debited or credited. This will auto-populate the Account ID field.

5. **Debit Amount** Specify the amount debited to the specified account line.

6. **Credit Amount** Specify the amount credited to the specified account line.

7. **Description** For each line in the Journal Entry, a description must be entered as justification for each debit or credit.

8.  /  Click these buttons to remove/insert lines in the Journal Entry.

9. **Total** Verify that total debits are equal to total credits before Posting JE.

10. **File Attachments** Attach any backup or supporting documentation for the Journal Entry. It will be permanently stored in Everest Portal along with the Journal Entry.

    Acceptable attachments:
    .docx .ppt .txt .bmp .doc .pptx .msg .jpeg .xls .rtf .jpg .pdf .xlsx .csv .png

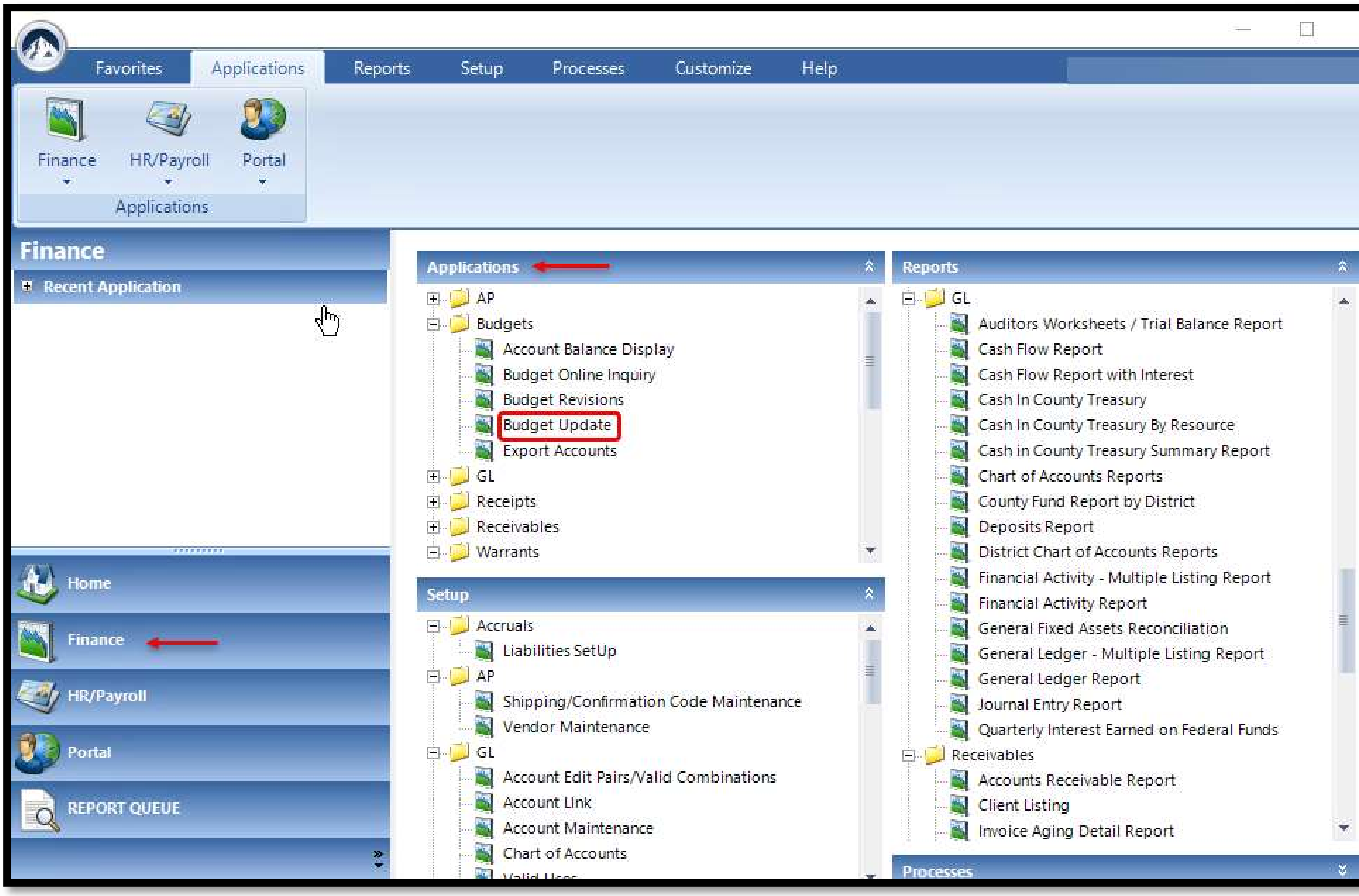
11. **Workflow** This section is the Everest Portal routing system. This form can be routed for approval in the Everest Portal. The Journal Entry will not be posted until this form is Finalized. The following are action options that can be taken on a Journal Entry.

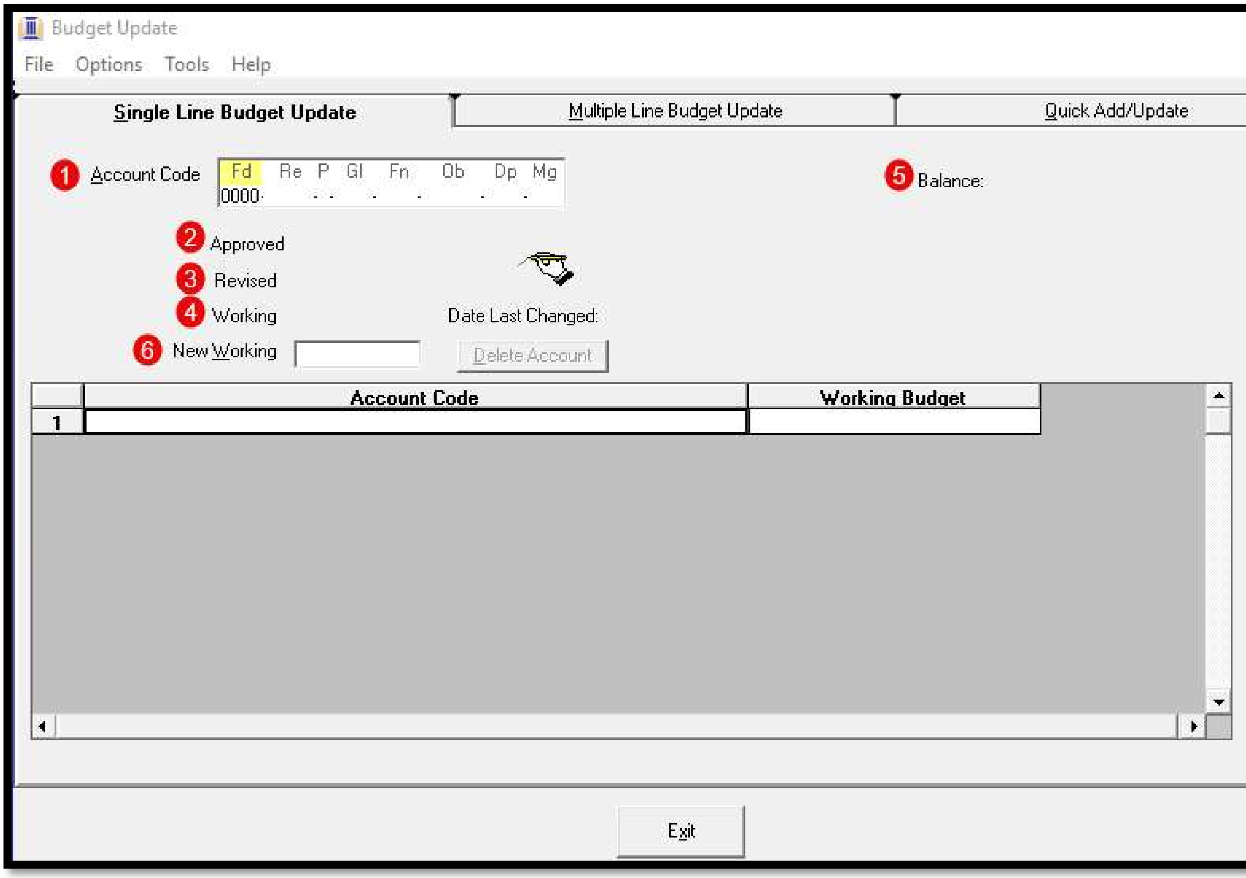
Action Option	Description
Approve	Accepts previous user's changes
Comment Only	Add additional comments to the form. No changes to the form itself will be made
Finalize	Submits changes to update the system with the new information
Forward	Forwards the form to the next user for them to review
Reject	Rejects form and closes it so that no further actions can be performed (essentially deletes it)
Reroute	Send the form to a different user than the one it is currently waiting on
Resubmit for Approval	After the form has been sent back and changes have been made, the originator will resubmit the form for the next approval (all signatures will need to be added again)
Save as a Draft	Saves as a draft that will appear under the My Forms tab and can be used at a later time
Save Changes Only	Save changes to the form, but do not send it out to anyone yet
Send Back	Sends form back to the originator for revisions (all signatures will be lost)
Submit For Approval	Initial submit that sends form out after originator has filled it out

Journal Entries created in Everest Portal can either be printed directly from the web browser or from within the Everest application.

BUDGET UPDATE APPLICATION

To perform a budget update from within the Everest Remote Desktop application, click on the Finance section on the panel located on the left-hand side. In the Applications window, expand the Budgets folder and select Budget Update.





1. **Account Code** Specify the account line that needs to be updated with a new working amount.

2. **Approve** Once an account line is entered, the Approved budget amount will populate here.

3. **Revised** Once an account line is entered, the Revised budget amount will populate here.

4. **Working** Once an account line is entered, the Working budget amount will populate here.

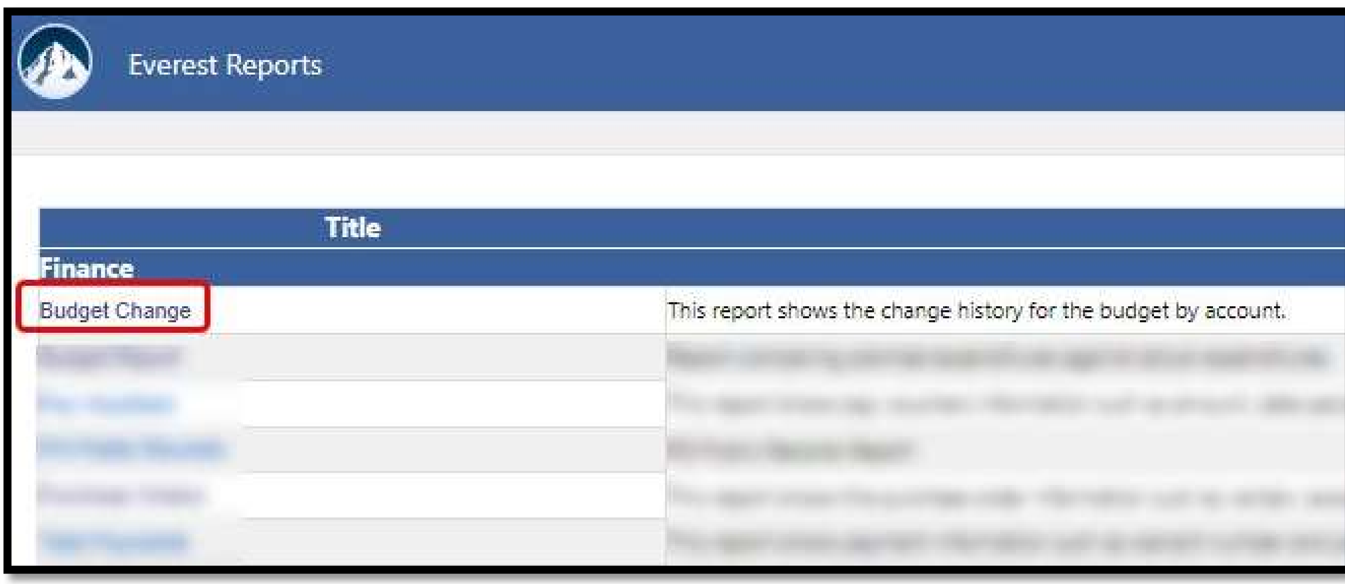
5. **Balance** Once an account line is entered, the Balance, equal to the Working Budget Amount - Encumbered & Actuals will populate here.

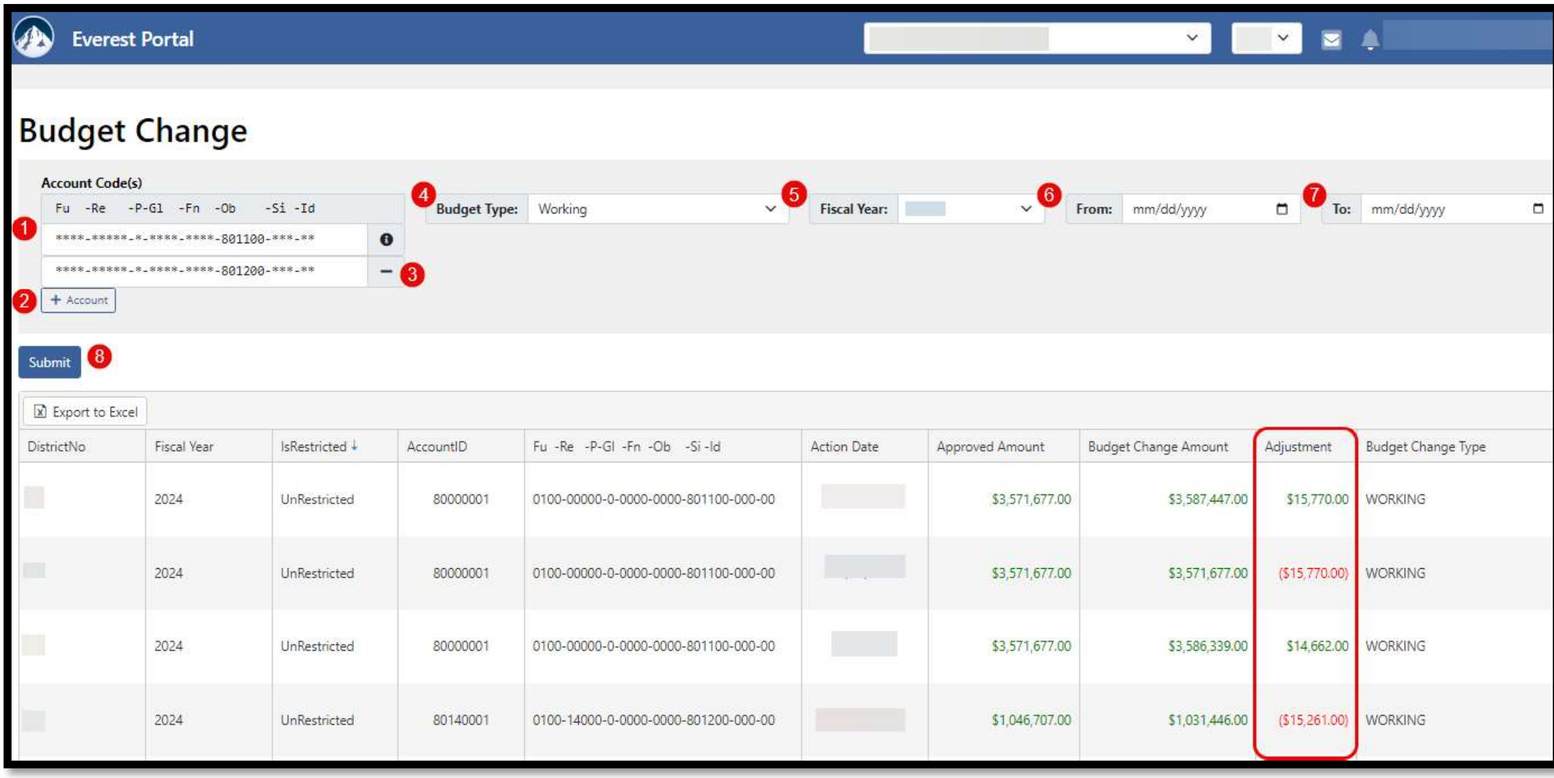
6. **New Working** Specify a new working budget amount. Click the **ENTER** or **RETURN** key when complete. This will automatically post, and the budget will be updated.

BUDGET CHANGE REPORT WITHIN THE EVEREST PORTAL

To run a Budget Change Report from within the Everest Portal, click on the Reports icon. *This report displays a list of budget updates made for any account line selected.*

Select the Budget Change report option.





1. **Account Code (s)** Enter an account line or any field within an account line to run a specific report. *Note: if this field is left blank, the report will run for ALL accounts with budget changes.*

2. **+ Account** Click this button to insert an account line.

3. **▬** Click this button to remove an account line.

4. **Budget Type** Select either Revised or Working from the drop-down menu. *The Working option will show budget changes made in the Budget Update application within the Everest desktop. The Revised option will show Budget Roll changes.*

5. **Fiscal Year** The year defaults to the current year but can be edited by selecting a different year from the drop-down menu.

6. **From** The date defaults to the first day of the fiscal year but can be edited by clicking on the calendar icon.

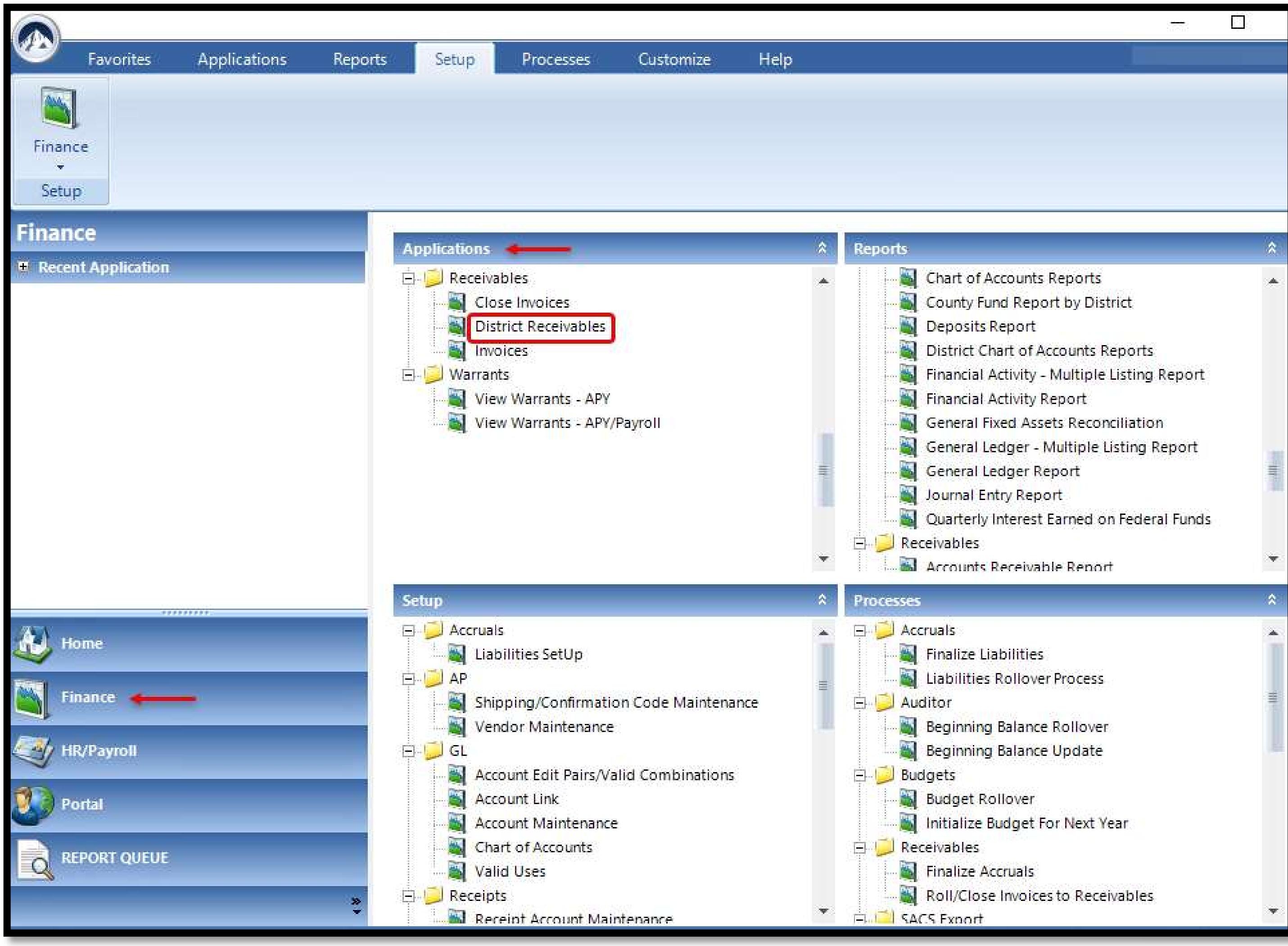
7. **To** The date defaults to the last day of the fiscal year but can be edited by clicking on the calendar icon.

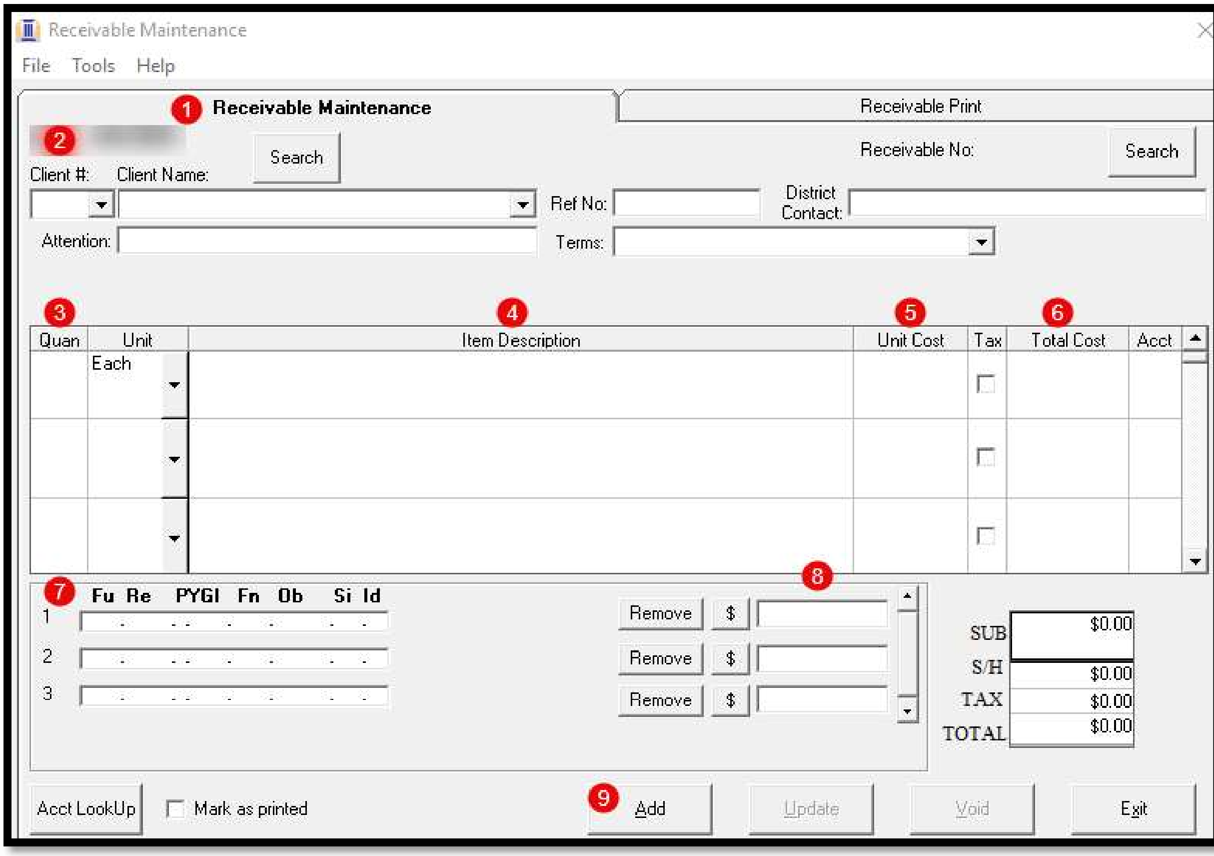
8. **Submit** Click this button to run the report for the selected account line(s).

ACCOUNTS RECEIVABLE – District Receivables Application

To create an Accounts Receivable from within the Everest Remote Desktop application, click on the Finance section on the panel located on the left-hand side. In the Applications window, expand the Receivables folder and select District Receivables.

Ensure that you have logged into the fiscal year you are closing.





1. Go to the **Receivable Maintenance** tab.

2. **Client #** Select the client from the drop-down menu. The client information should auto-fill in the Client Name box.

   Fill in the remaining fields, located at the top section of the screen, if needed (Ref No., District Contact, etc.)

3. **Quan** Enter the quantity in this field.

4. **Item Description** Type a description of the receivable.

5. **Unit Cost** Enter the amount of the receivable.

6. **Total Cost** This field will autofill when the Quantity and Unit Cost are entered.

7. Go to the **Account** field and enter the revenue or abatement account line for the receivable. <u>*Note:*</u> *The account must exist in the fiscal year for which you are entering the receivable and in the subsequent fiscal year. This is necessary so that if the amount received differs from the accrual, the revenue may be credited (if the amount is greater) or debited (for less received) in the next fiscal year.*

If the account does not exist, add the account in the ***Setup – GL – Account Maintenance*** *screen*.

8. Enter the amount of the receivable or abatement in the appropriate box for the account line.

9. **Add** Click this button to add the receivable and post to the general ledger.

<u>Adding Clients</u>

Each district must have clients set up to accrue receivables. Descriptive client names are helpful when reviewing Accounts Receivable Reports.

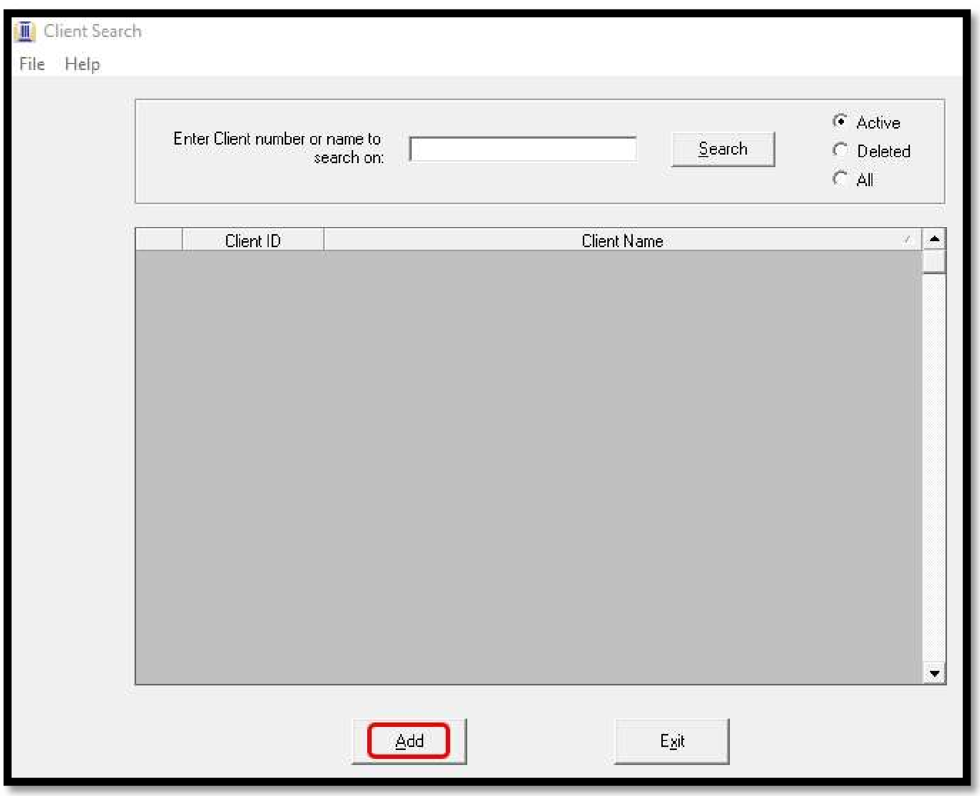
First Time Setup

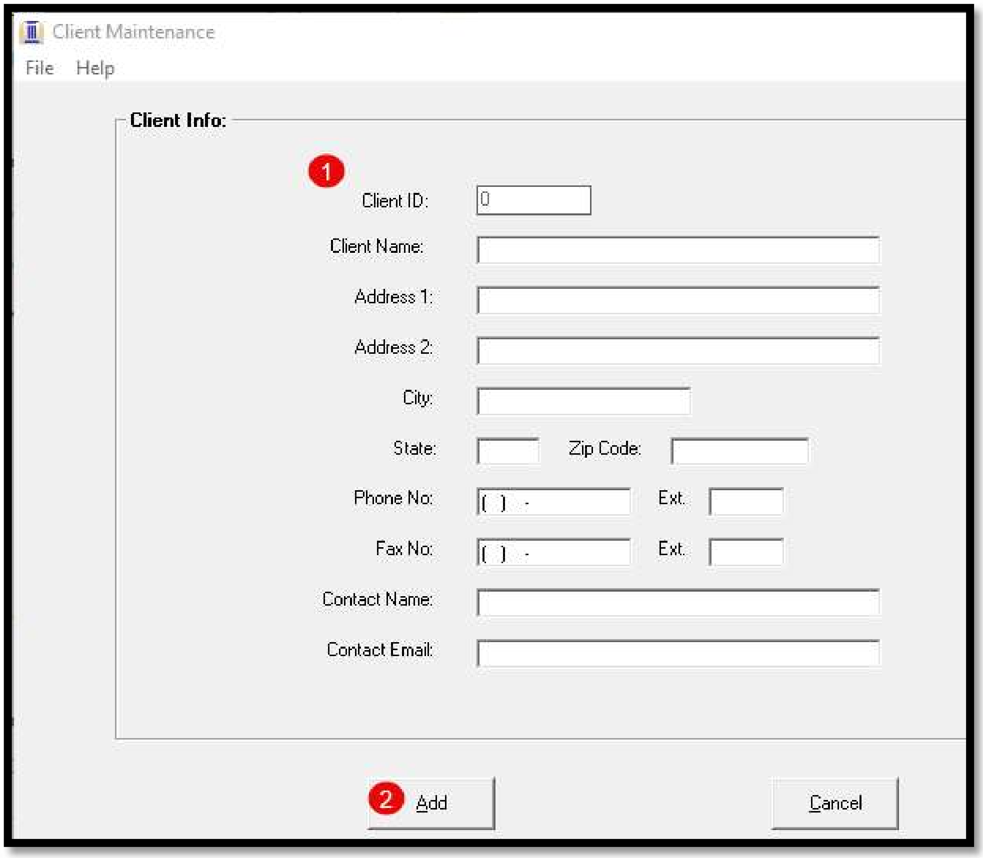
1. If you have no clients set up, upon entering receivables, you will receive a message telling you that there are no clients. Click **OK** then proceed to the **Client List** screen.

2. Add client information and click the **Save** button. Continue this procedure until all client information has been entered.

Adding Additional Clients

To add additional clients, go to the **Setup** menu, click **Receivables**, and then click **Client Maintenance**. In the Client Search screen, click **Add.**





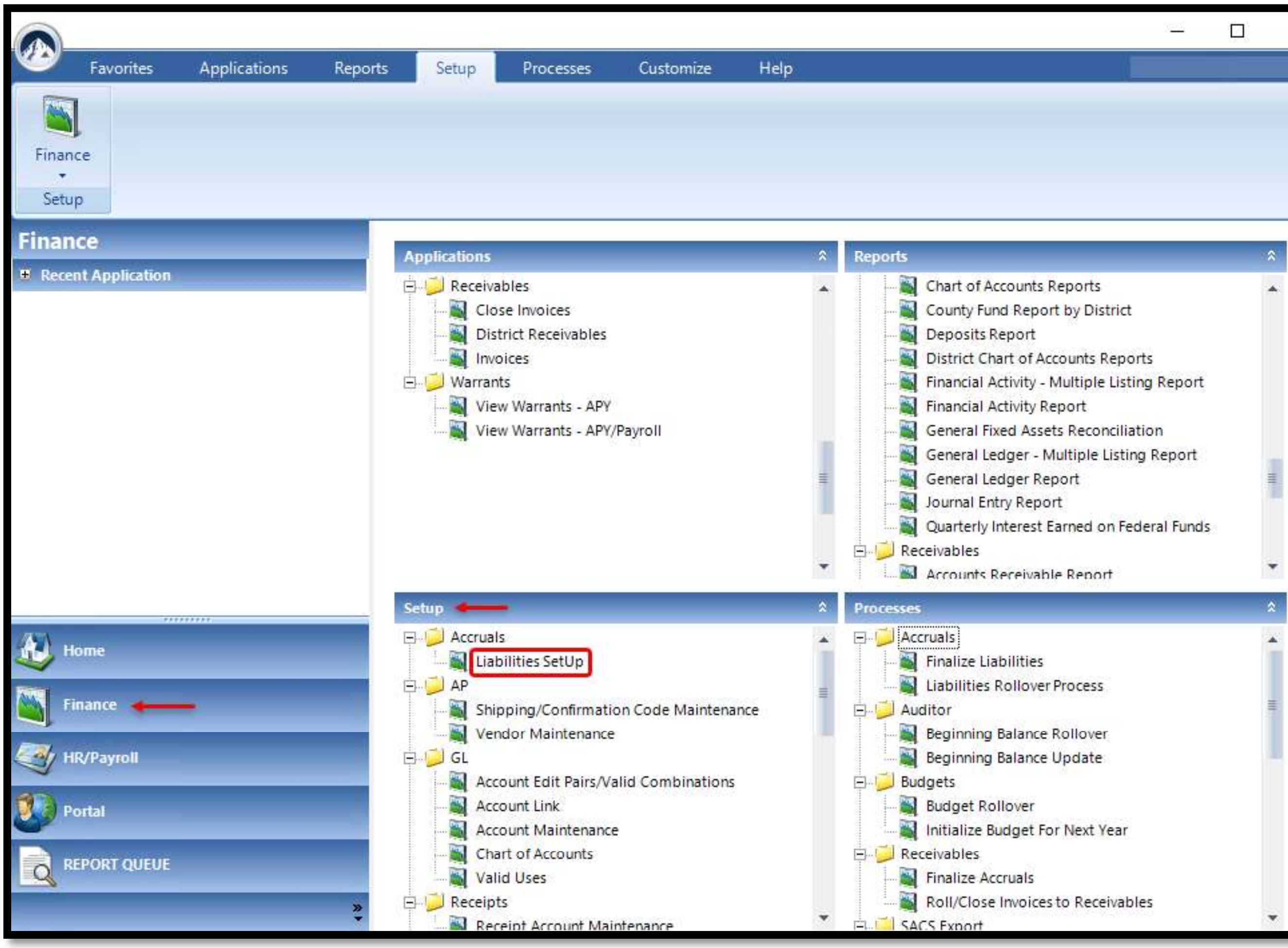
1. In the Client Maintenance screen, enter client info.

2. Click **Add** to create a new client in the system.

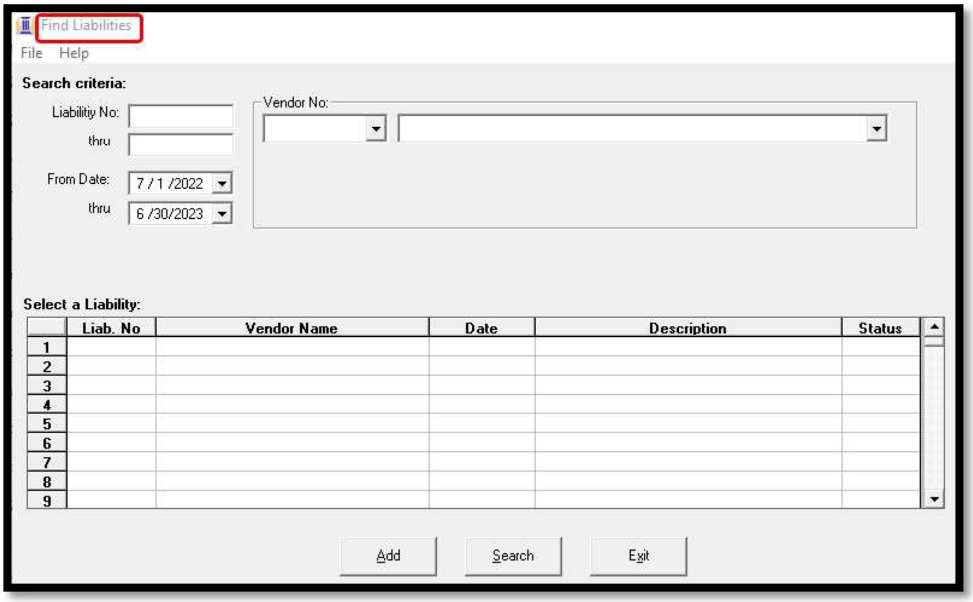
CURRENT LIABILITIES - Liabilities Setup Application

To create a Current Liability from within the Everest Remote Desktop application, click on the Finance section on the panel located on the left-hand side. In the Setup window, expand the Accruals folder and select Liabilities Setup.

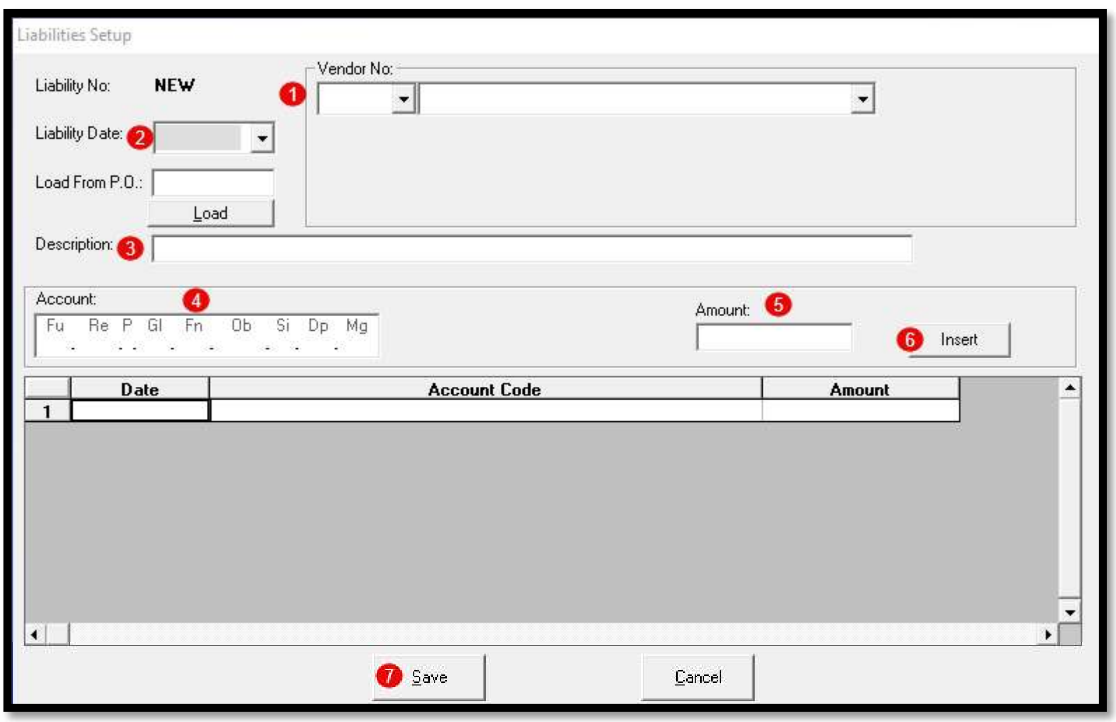
Ensure that you have logged into the fiscal year you are closing.



At the **Find Liabilities** screen, the user is given options to **Add**, **Search**, or **Exit**. **Search** enables the user to locate existing liabilities; **Add** will let the user create a liability and **Exit** returns the user to the previous menu.



Click on the **Add** button; this brings up the Liabilities Setup screen on which the user may create a liability.



1. **Vendor No.** Select the vendor from the drop-down menu. Alternatively, if you know the vendor number you may enter it in the drop-down vendor box, and it will progress to that vendor.

2. **Liability Date** If the current date is past the end of the fiscal year for which the liability is being entered, the date on the entry screen should default to June 30, 20xx. *If the user is setting up liability in advance of the end of the fiscal year, the date would have to be set by the user to June 30, 20xx.*

3. **Description** Type a description for the liability *(not required but useful).*

4. **Account** Enter the account code.

    Note: If the account code does not exist in the next fiscal year, the user must enter it by logging into that year, using the Account Maintenance screen, and adding it.

5. **Amount** Enter the dollar amount.

6. Click **Insert.**

    Double-clicking a line on the liability will allow changes to be made to that line.

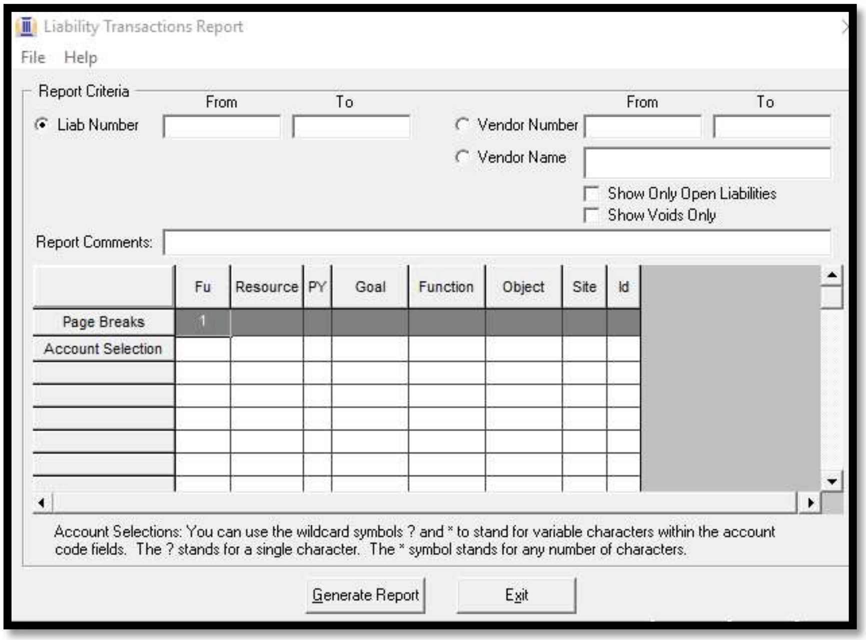
    Repeat Steps 3 through 5 for each line of the liability until finished.

7. Click the **Save** button to save the liability. This will also provide the user with a liability number. *Important: The liability information will be lost if you exit without saving.*

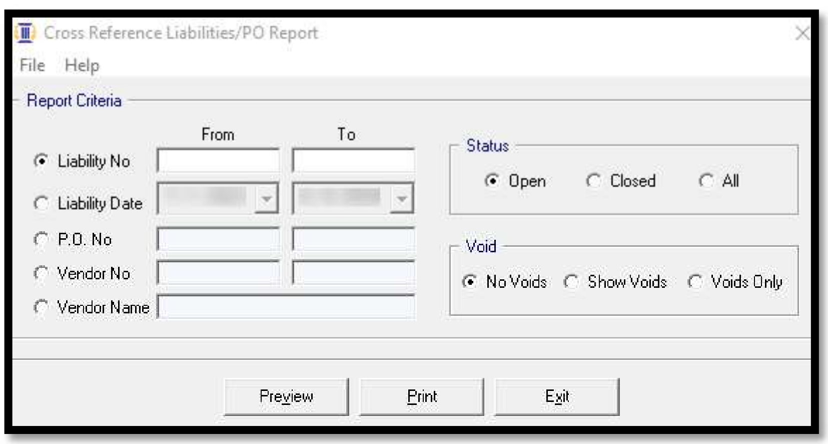
The liability may now be located by using the **Search** function on the **Find Liabilities** screen.

Reports

a. The **Liabilities Report** may be selected from the **Reports - Finance - Accruals** menu list. The user may define the criteria for the selection of items on the report and can either preview, print, or queue it. Queuing is recommended if the district has set up several liabilities.

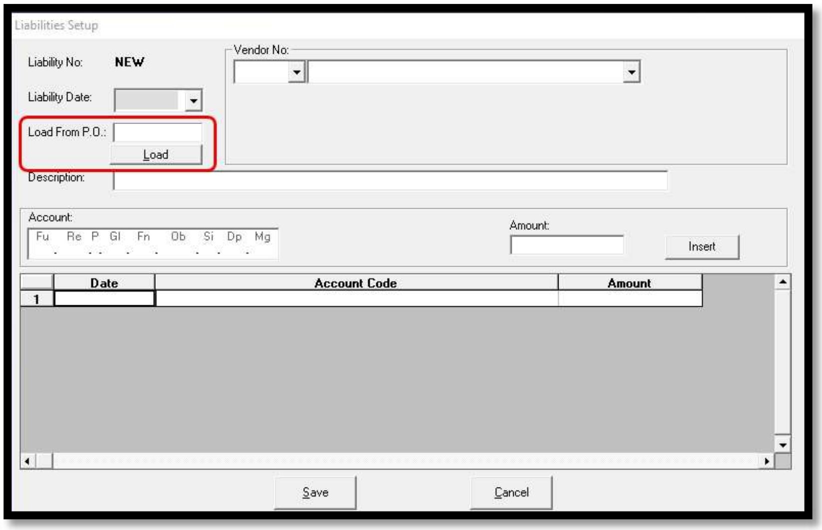


b. The **Liability Cross Reference Report** may also be selected from the **Reports - Finance - Accruals** menu list.



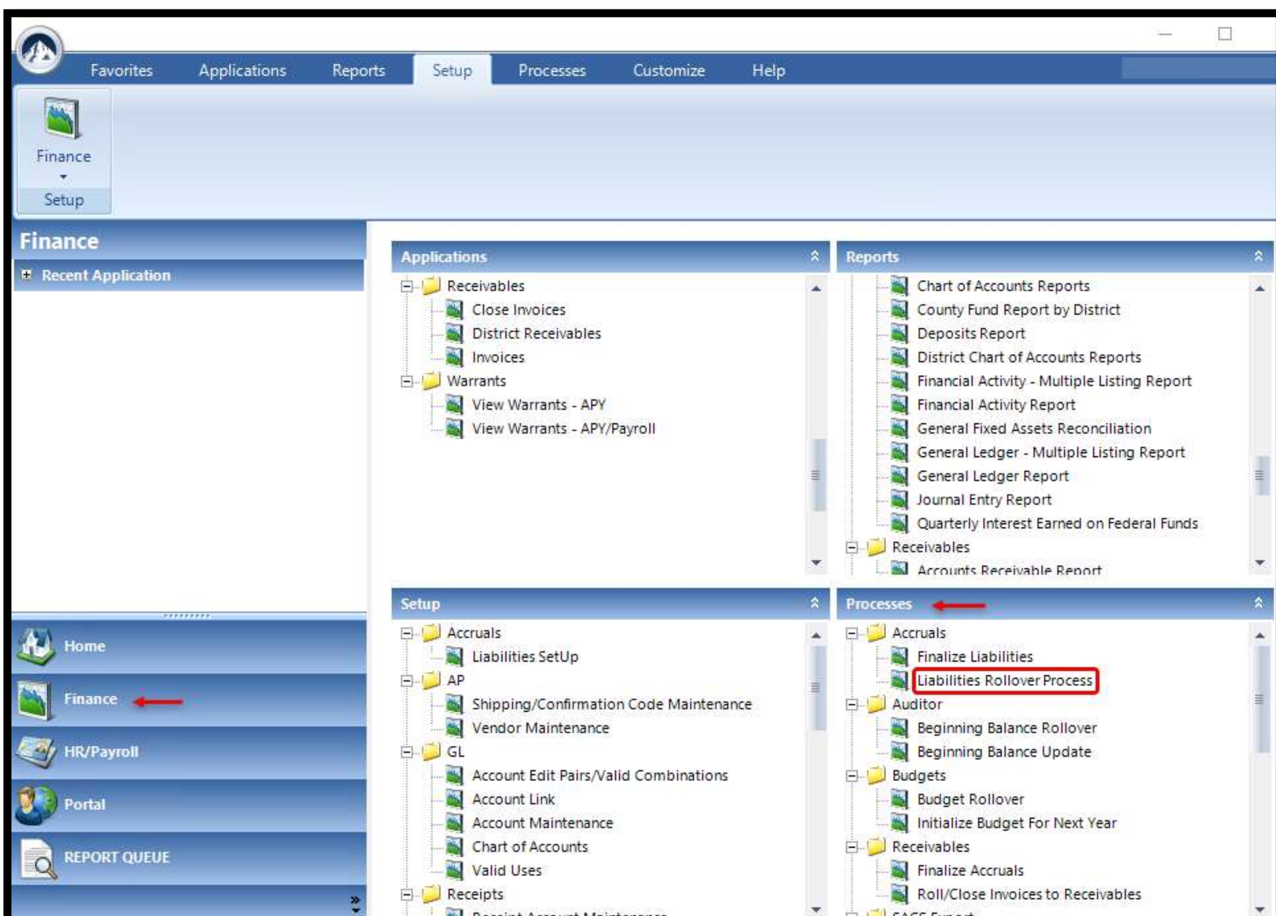
<u>Purchase Order Rollover</u>

Districts can create liabilities from open purchase orders at year-end. The user would then enter a PO number in the **Load from PO** field and click the **Load** button. This will populate the fields and allow the user to create a liability from a PO.

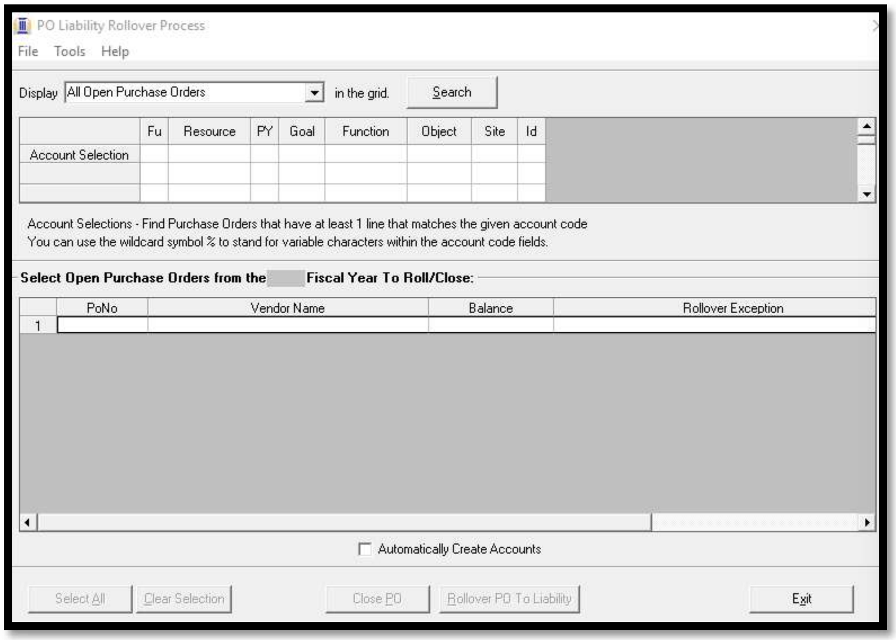


Mass Purchase Order Rollover

POs may be closed or set up as liabilities by using the **Liabilities Rollover Process** from the **Process - Accruals** menu list.

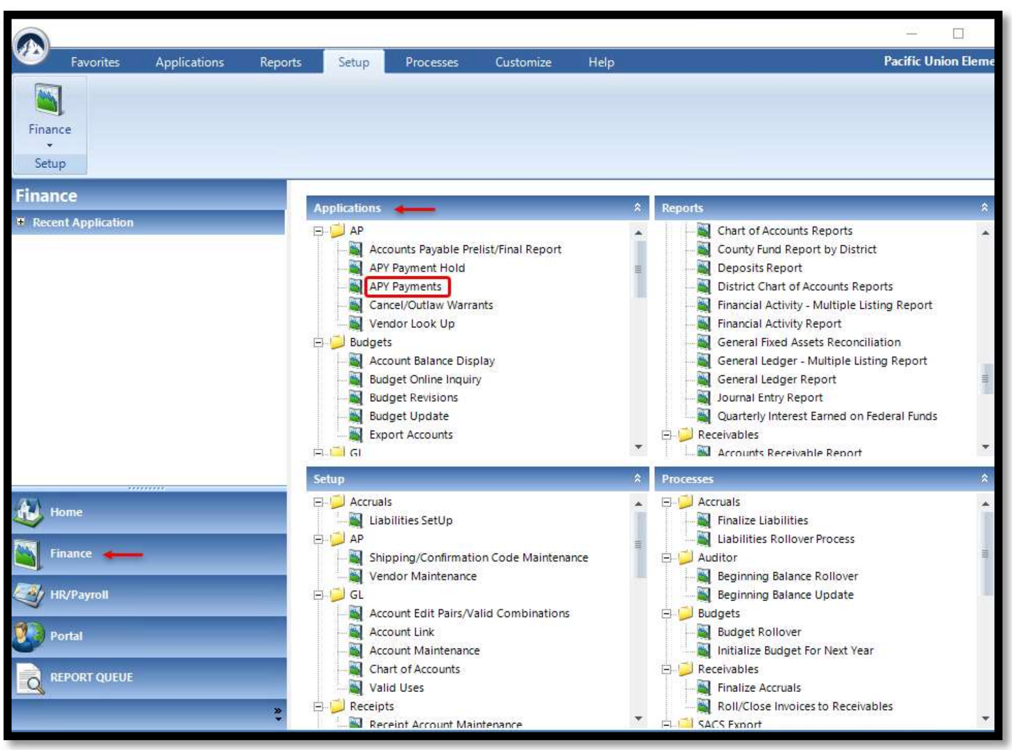


a. This report will populate all open POs. POs may be closed individually or as a group ***or*** made into a liability then closed individually or as a group. This option may be used when PO amounts and detail will not be changed.

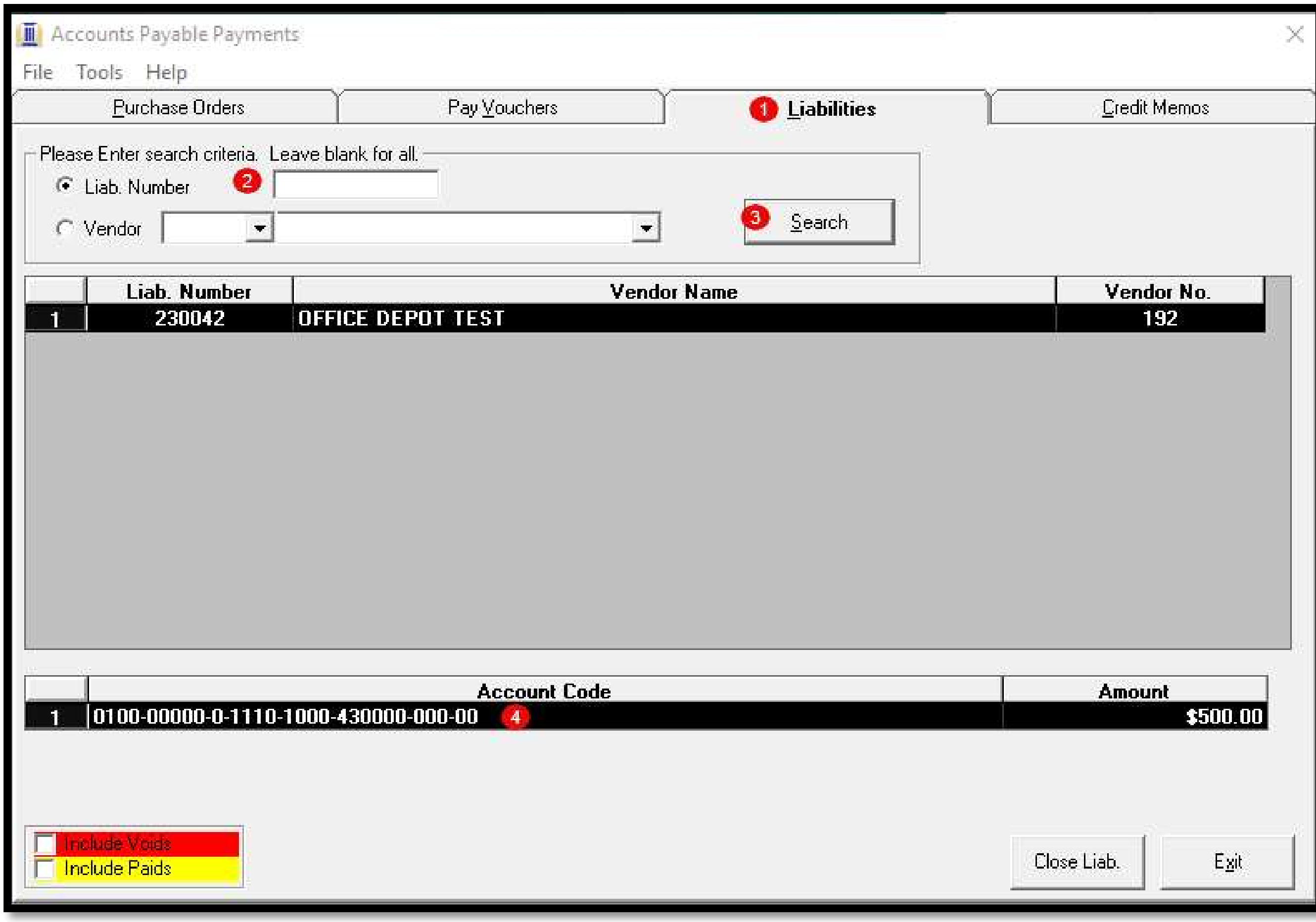


Paying Liabilities

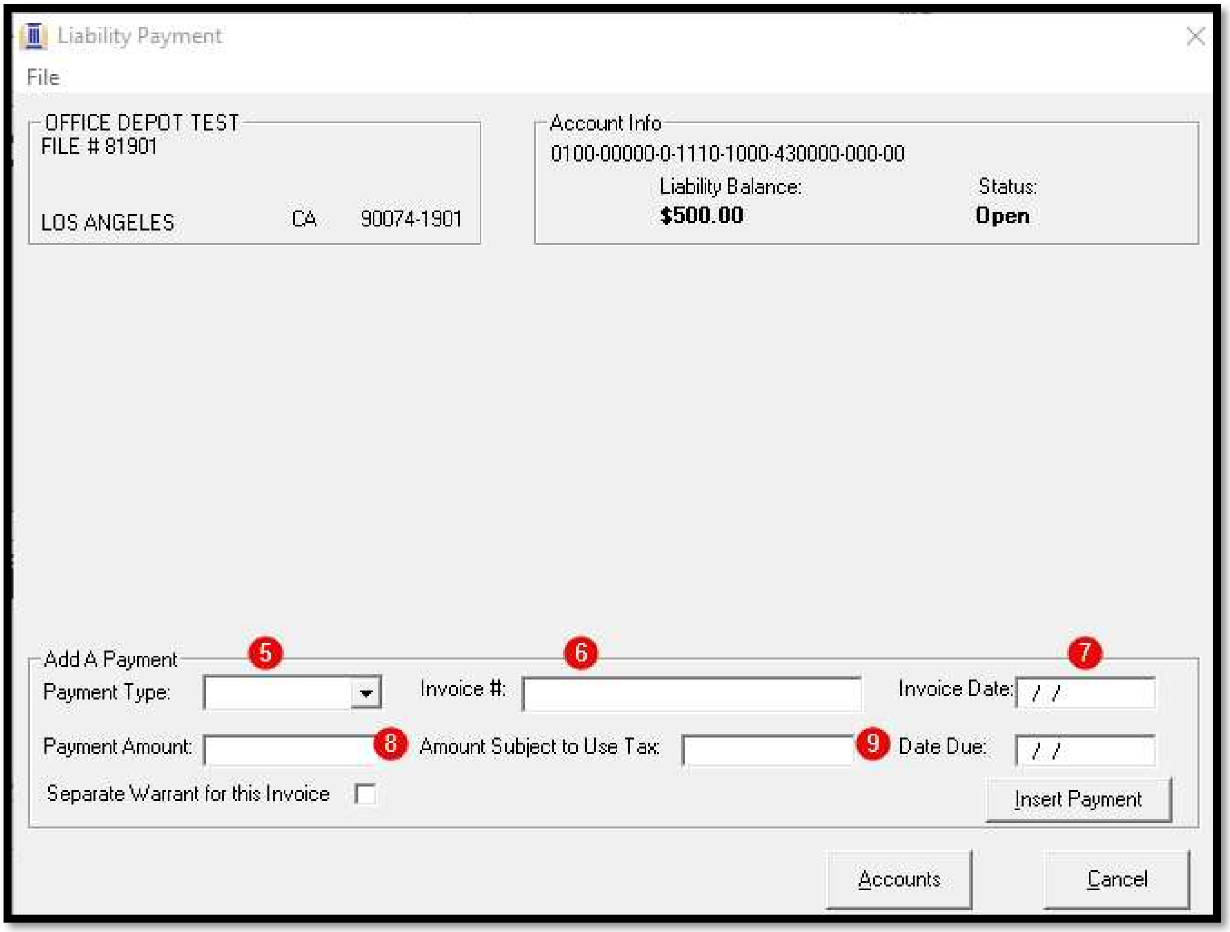
Liabilities are paid in the new fiscal year. Select ***APY Payments*** from the ***Applications - Finance - AP*** menu.



1. When the screen appears, select the ***Liabilities*** tab.



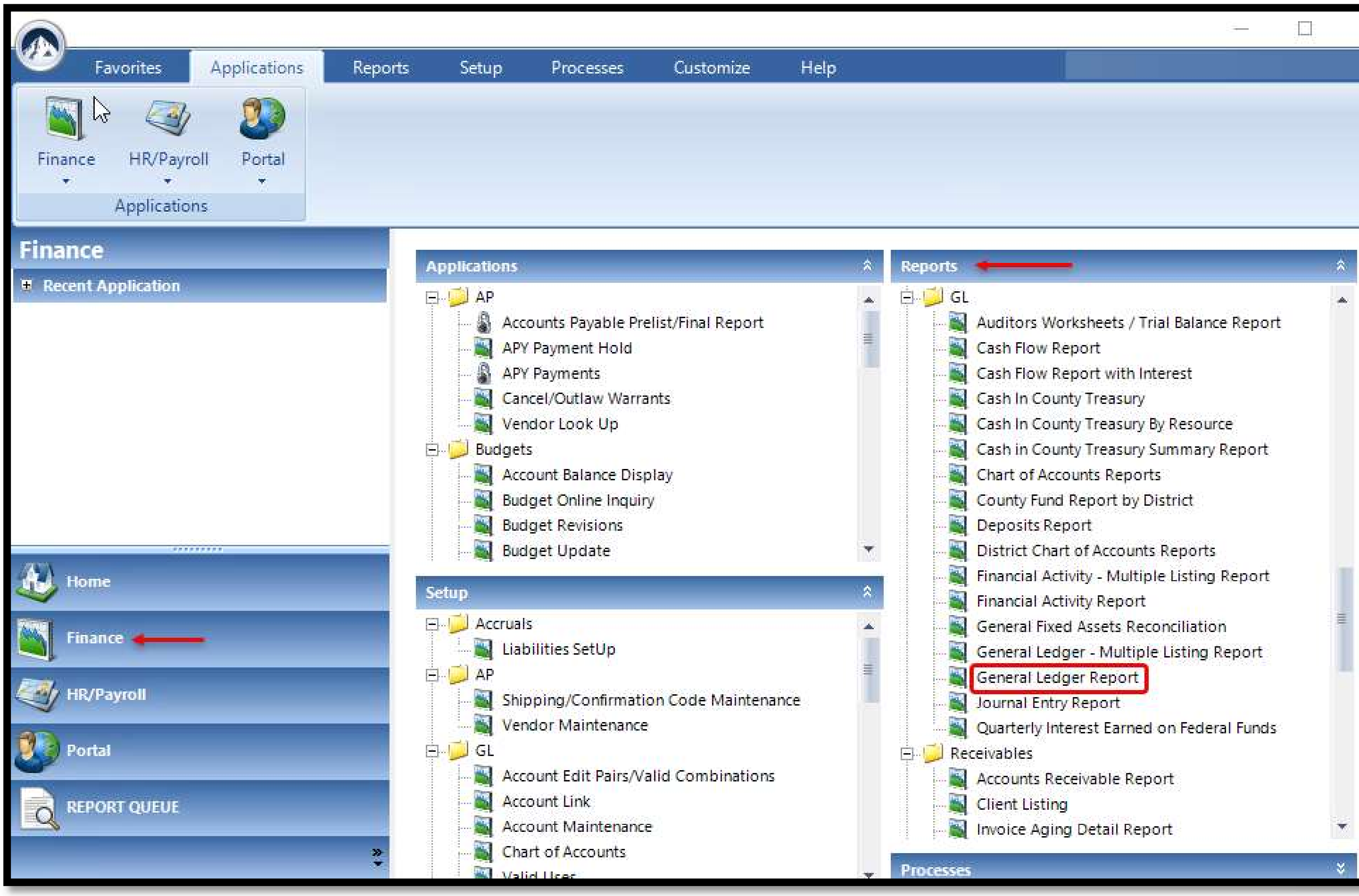
2. **Liab Number** Type in a liability number that will be used to pay invoice (s).
3. Click **Search** to populate the top grid with open liabilities. *Note: Make sure to be logged in the new fiscal year.*
4. Double-click the detailed account code line for the liability to obtain the **Liability Payment** screen.

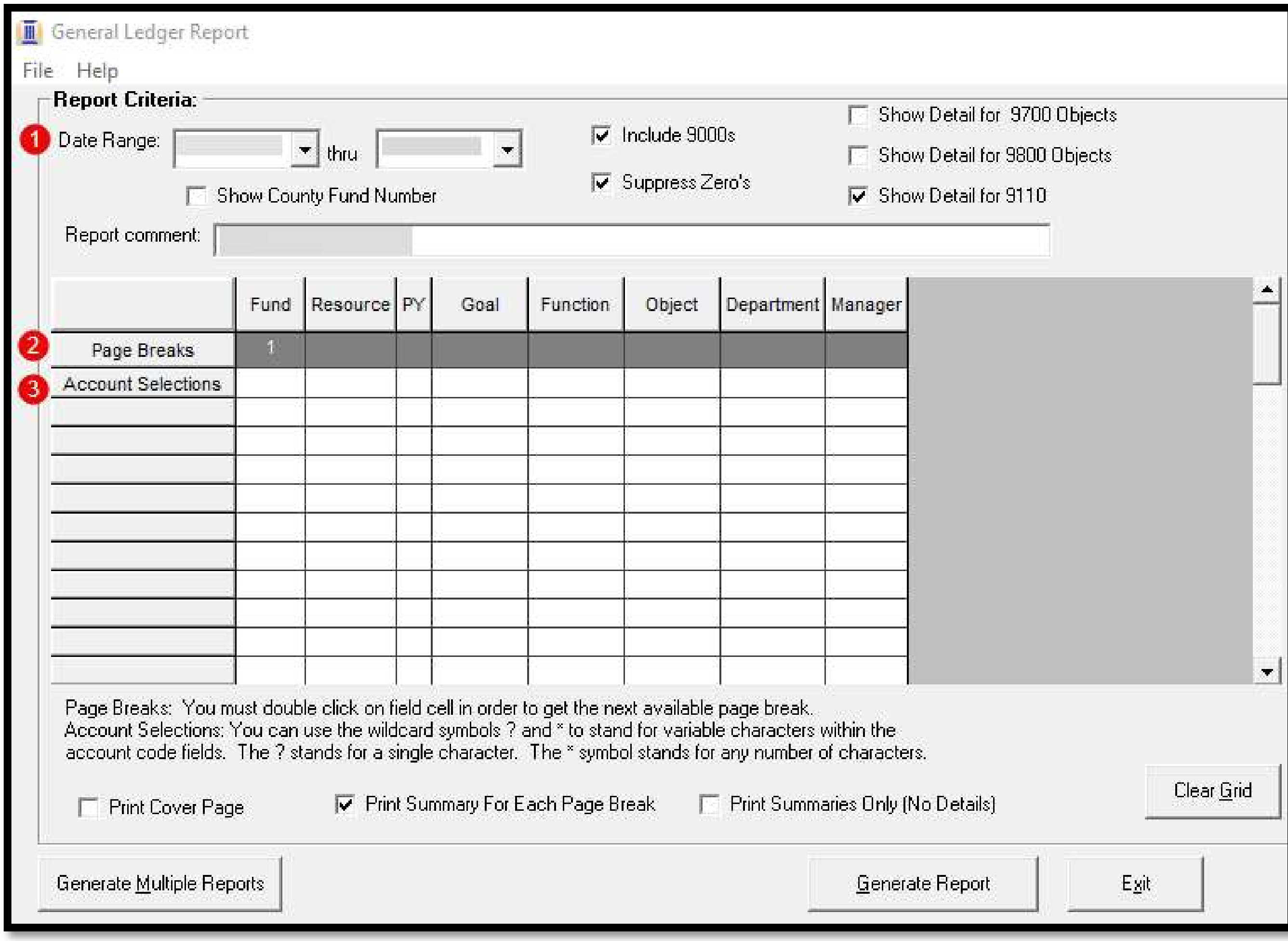


5. From the drop-down menu choose Payment Type: **Partial, or Final**.
6. Input an **Invoice Number**.
7. Input an **Invoice Date**.
8. Input **Payment Amount**.
9. *If applicable*, enter an **Amount Subject to Use Tax**.

GENERAL LEDGER REPORT

To run the General Ledger Report from within the Everest application, click on the Finance section on the panel located on the left-hand side. In the Reports window, expand the GL folder and select General Ledger Report.





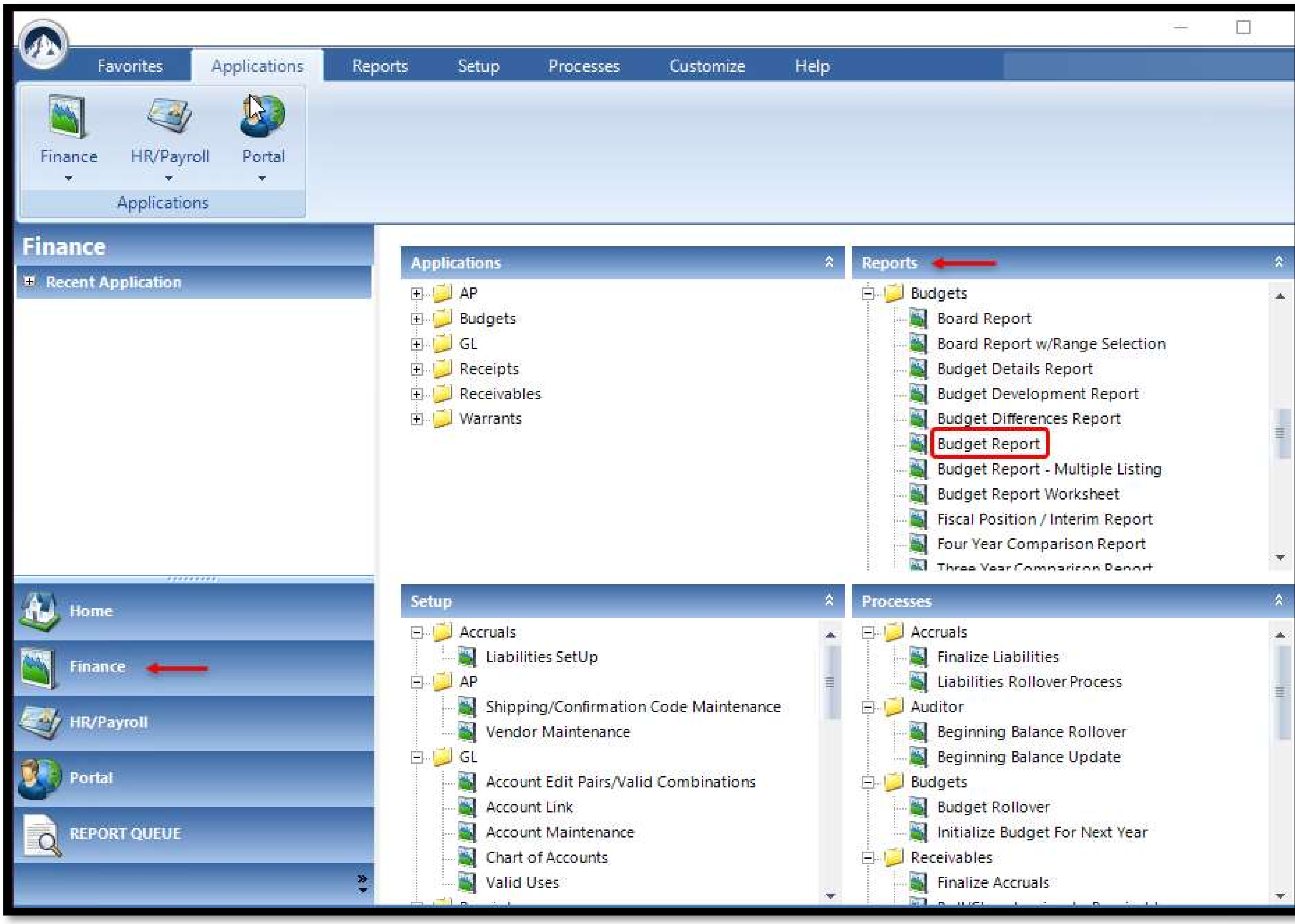
1. **Date Range** Select a date range to view. The report will not show information outside of this exact range. Dates will default to 7/1 or the current fiscal year through the current date.

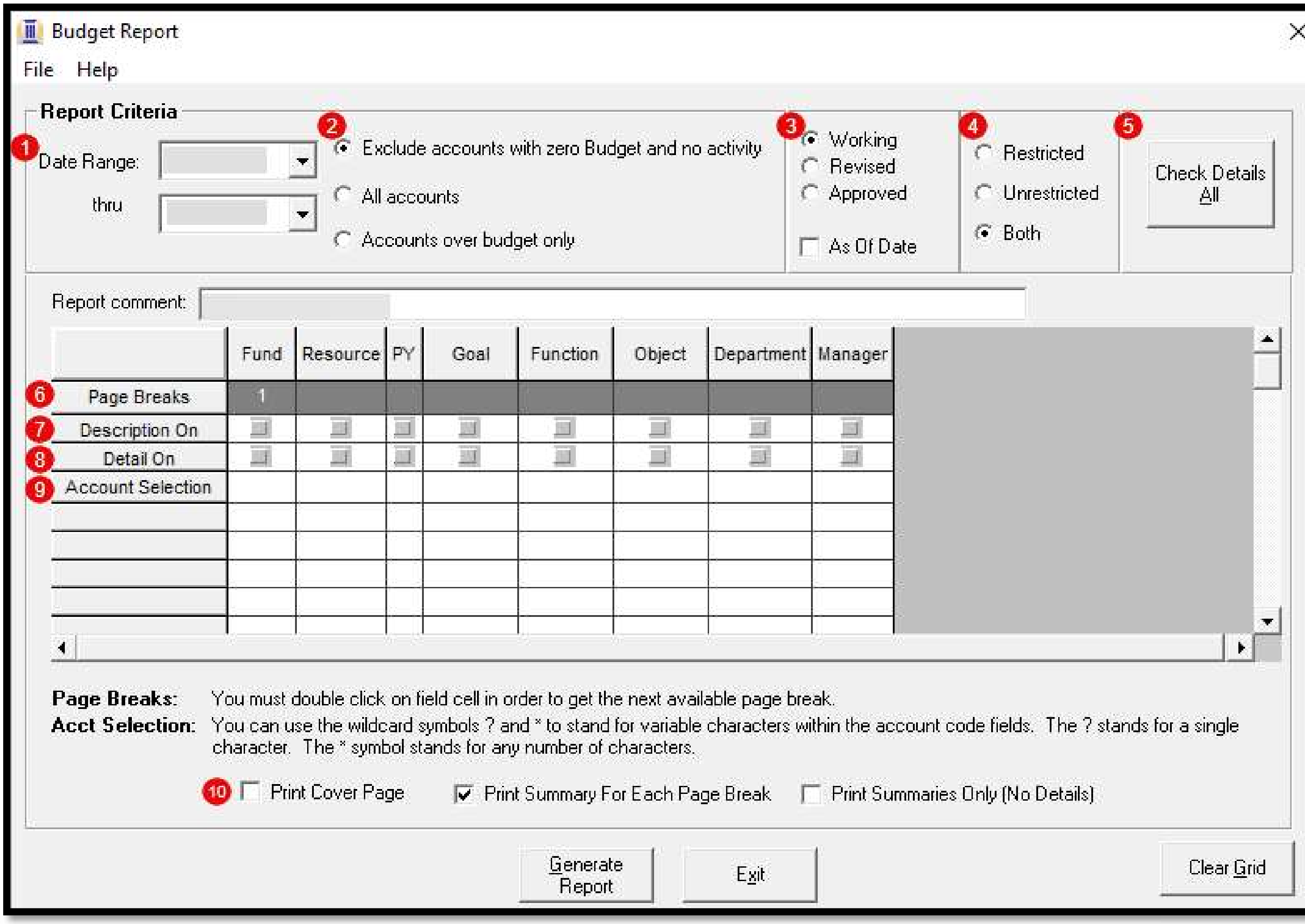
2. **Page Breaks** Specify the order in which you want data sorted. For example, if you wanted the report to be sorted by Resource and then Object, double click the Resource grey box (and a 2 should appear), and double click the Object grey box (and a 3 should appear). By default, Fund is always the first-page break.

3. **Account Selections** Specify pieces of the account code line that show up on the report. You can use wild cards by specifying a "*". For example, to show any 60000 Resource (60000-69999), enter 6* in the Account Selections box under Resource.

BUDGET REPORT

To run a Budget Report from within the Everest application, click on the Finance section on the panel located on the left-hand side. In the Reports window, expand the Budget folder and select Budget Report.





1. **Date Range** Provide a date range to run the budget for.

2. **Accounts Selector** You may specify whether to include "All accounts", "Accounts over budget only", or "Exclude accounts with zero Budget and no activity" in the report. Defaults to exclude accounts with no budget and no activity.

3. **Budget Selector** You may specify which type of budget you would like to see: Working, Revised, or Approved. Defaults on Working.

4. **Restricted/Unrestricted Selector** You may specify whether to show restricted monies, unrestricted monies, or both types of monies in the report. Defaults to Both.

5. **All Detail** This button checks all boxes.

6. **Page Breaks** Specify the order in which you want data sorted. For example, if you want the report to be sorted by Resource and then Object, double-click the

Resource grey box (and a 2 should appear), and double click the Object grey box (and a 3 should appear). By default, Fund is always the first-page break.

7. **Description On** Specify whether to show the description for any one piece of the account line.

8. **Detail On** Specify which piece of the account line you would like to see additional information on in the report. By clicking item #5, all boxes will be checked, and your report will print out the full account string for each budget line.

9. **Account Selection** Specify pieces of the account code line that show up on the report. You can use wild cards by specifying a "*". For example, to show any 60000 Resource (60000-69999), enter 6* in the Account Selections box under Resource.

10. **Summary Page** Specify whether to receive summary pages as part of the report or see only summary pages as the report. Defaults to print summary page for each page break.

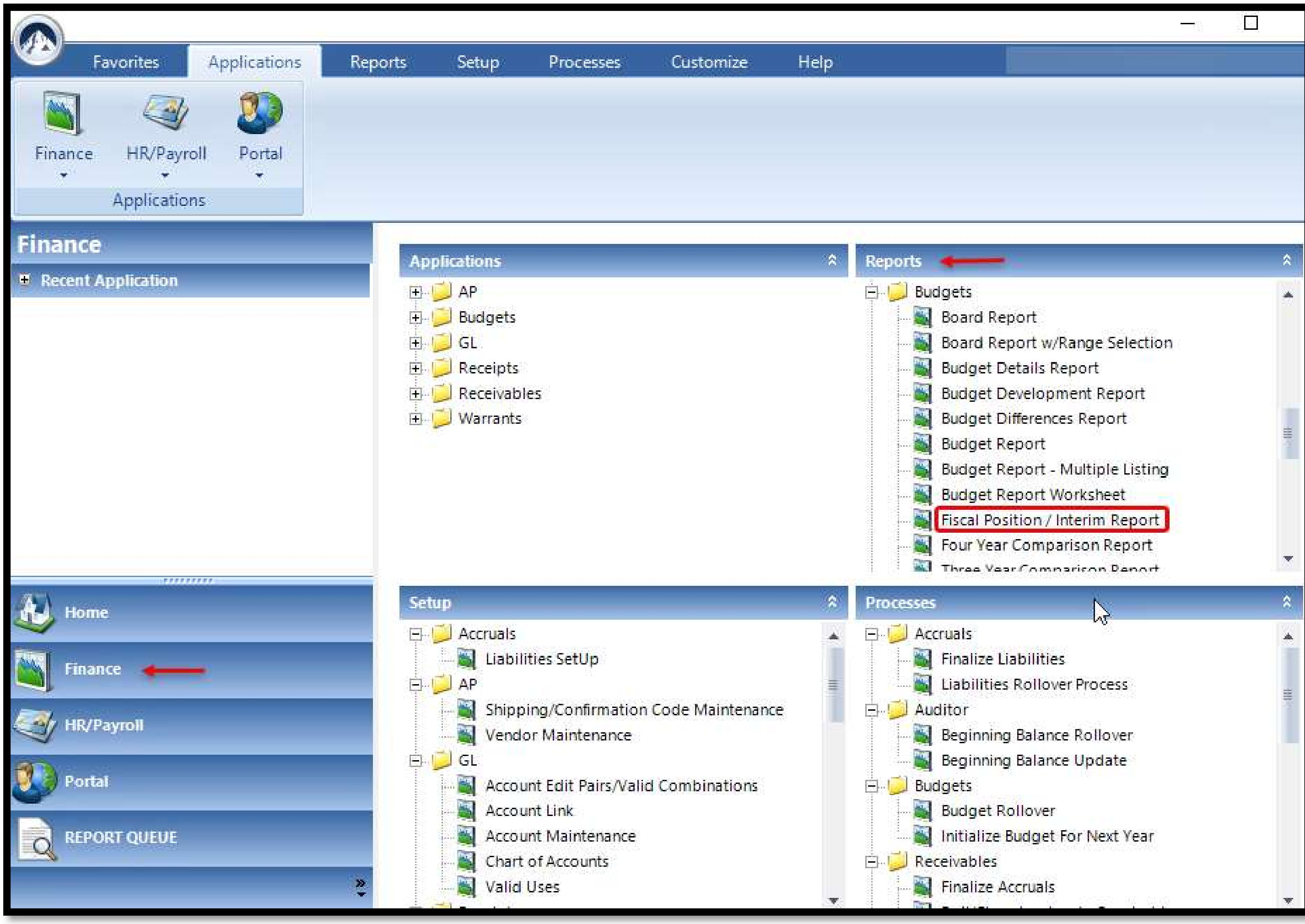
The budget report is a summary of revenue and expenditures, which can be generated to assist in monitoring programs.

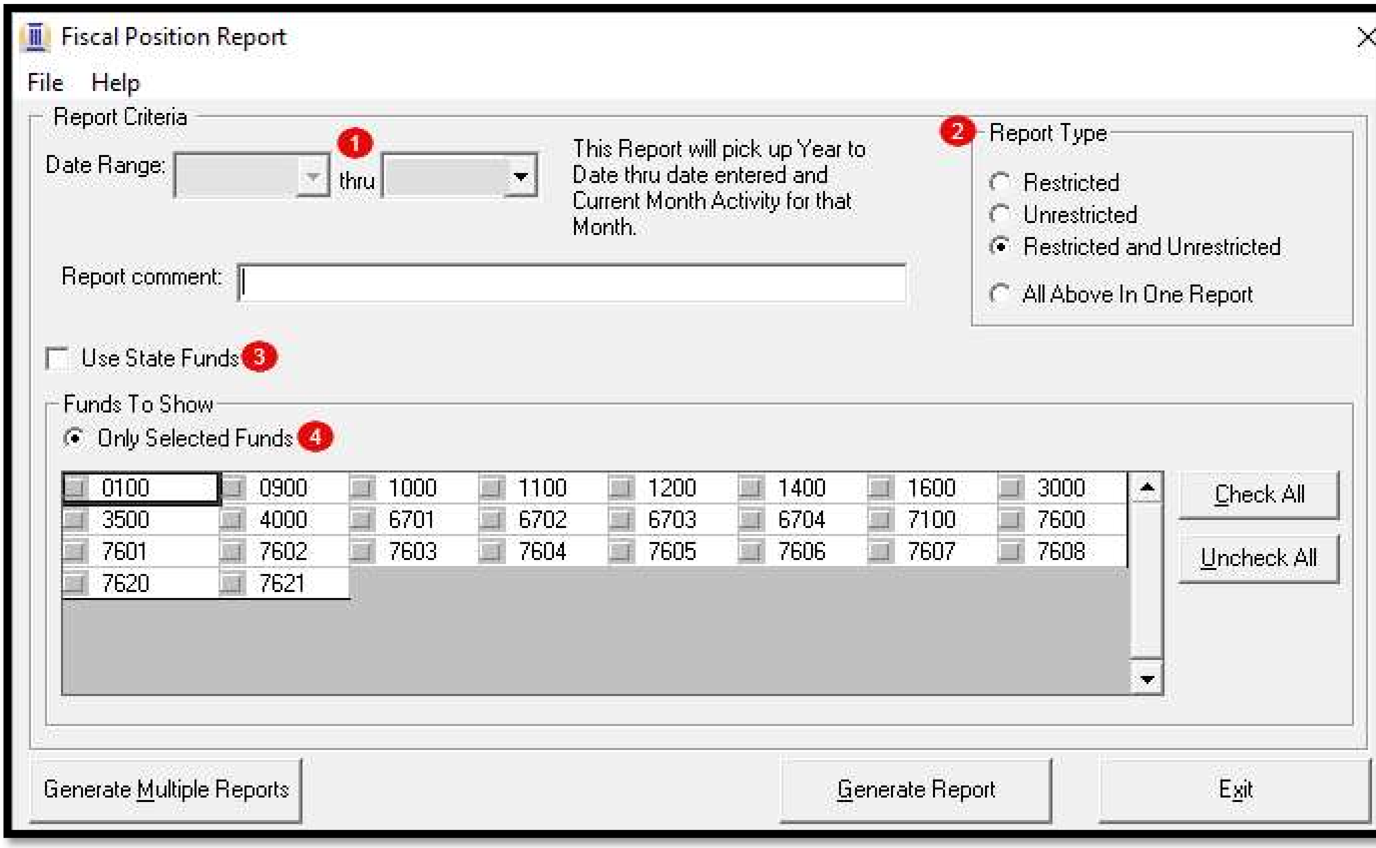
The percentage column will show the percentage of the actual expense costs to the original budget amount and the percentage of unspent/remaining amount to be spent.

On the last page of the budget report is a summary of all revenues and expenditures, beginning and ending balances, *which includes the Components of Ending Fund Balances*. It will also show if the budget is in balance, the funds that are spent and encumbered, and the remaining funds to be spent.

FISCAL POSITION / INTERIM REPORT

To run a Fiscal Position / Interim Report from within the Everest application, click on the Finance section on the panel located on the left-hand side. In the Reports window, expand the Budget folder and select Fiscal Position / Interim Report.





1. **Date Range** Provide an end date to run the report through.

2. **Report Type** You may specify whether to generate a Restricted only report, an Unrestricted only report, a combined Restricted and Unrestricted report, or all three. The default is to run a combined Restricted and Unrestricted report.

3. **Use State Funds** Check this box to allow only state funds to appear in the *Funds to Show* box below.

4. **Select Funds** Specify which funds to include in the report (you can select multiple).

There are other financial forms and reports accessible in the Everest Portal.

SECTION 9:

STANDARDIZED ACCOUNT CODE STRUCTURE (SACS) WEB SYSTEM APPLICATION

UNAUDITED ACTUALS FINANCIAL REPORT

The Standardized Account Code Structure (SACS) Web System Application for completing the Unaudited Actuals financial reporting is available on the California Department of Education's (CDE) website at https://sacs-cde.org.

The SACS Web Systems User Guide provides instructions for completing the budget, interim, and unaudited actuals report.

DUE DATE

The Unaudited Actuals financial report submission is due via the SACS Web System Application on **September 15.**

Districts must also submit, via email, the following to FCSS on or before the September 15 deadline:

- Electronic copy of Form CA- Certification with original signatures.
- Electronic copy of the Official Unaudited Actuals Financial Statements, including the Technical Review Checklist with all fatal exceptions cleared and all warning exceptions explained.

FORM DEPENDENCIES

Many of the forms in the SACS Web System are dependent on data from other forms (supplemental data) and/or funds (general ledger data). Those dependent forms must be opened and saved to re-extract the most current data any time relevant general ledger (GL) or supplemental data is changed.

UNAUDITED ACTUALS PERIOD

Dependent Forms (save these forms in this order)	**Dependent on Forms**	**Dependent on Funds (GL)**
01	n/a	01
CEA	n/a	01
ESMOE	A	01, 09, 13, 61, 62
GANN	A	01, 09, 62
ICR	n/a	01, 08, 09, 11, 12, 13, 19, 57, 61, 62
L	n/a	All funds
PCRAF	n/a	01, 09, 62
PCR	PCRAF	01, 09, 11, 12, 13, 19, 57, 61, 62
CA	CEA, GANN, ICR, ESMOE	n/a
SEMA	PCR	01, 09, 62
SEMB	PCR	01, 09, 62

When dependent forms are not opened and saved after relevant general ledger or supplemental data are changed, the dependent forms are inaccurate. The technical review checklist identifies such occurrences via the fatal export check CHK DEPENDENCY. The check does not allow an official export of the data until the dependent forms are opened and saved.

The following tables list all the dependent forms and the general ledger ("Funds") or supplemental ("Forms") data upon which they are dependent.

IFCs (INTERNAL FORM CHECKS)

Internal form checks (IFCs), like technical review checks (TRCs), are used to check for accuracy, completeness, and validity of the data. IFCs, however, check data within the forms rather than outside of the forms, as do TRCs. Unlike TRCs, IFCs are not visible unless there is a condition that triggers the IFC. In most cases, when an IFC condition exists, text will display in red on the screen and on the printed form, identifying the area in the form that needs attention, and an exception will occur upon running the Export TRC.

NOTE: Forms may be closed with outstanding IFC conditions, giving the user an opportunity to research and correct problems.

COMPONENTS OF ENDING FUND BALANCE (CEFB)

Refer to pages 197-201 in the SACS Web System User Guide, Version 2025.
https://www.cde.ca.gov/fg/sf/fr/

THINGS TO REMEMBER

- SACS Web System issues and available workarounds are regularly posted in the Problems and Fixes section of the user's dashboard upon logging into the system. *Users should refer to this information prior to seeking assistance with SACS Web System issues.*
- A Technical Review Check must be run for both UNAUDITED ACTUALS and BUDGET data types. **Make sure all warning exceptions have been explained.**
- All forms can be printed from the "Table of Contents" window by checking the box next to each form and clicking the print icon in the upper right-hand corner.
- **Before** sending your file (dataset) to the "1st Level LEA Review", it is recommended to make a copy of the Official export for your records, as it will no longer be in your queue.

FORM ASSET

Form ASSET is used to report changes in the balances of capital assets and accumulated depreciation for the fiscal year. The schedule of capital assets is completed using extracted, entered, and calculated data. The columns on this form are completed as follows:

Unaudited Balance July 1

Capital asset ending balances reported in Form ASSET in the prior year are extracted from the database into the Unaudited Balance July 1 (beginning balance) column. Note: Data entry is not allowed in this column.

If capital assets were not reported in Form ASSET in the prior year and, therefore, zeros appear in the beginning balance column, report any beginning balances in the Audit Adjustments/Restatements column. **Beginning balances for accumulated depreciation are input as negative numbers.**

Audit Adjustments/Restatements Column

Adjustments or restatements that increase the unaudited July 1 balances are input as positive numbers. Adjustments or restatements that decrease the unaudited July 1 balances are input as negative numbers.

Adjustments or restatements that increase the unaudited July 1 balances of accumulated depreciation are input as negative numbers. Adjustments or restatements that decrease the unaudited July 1 balances of accumulated depreciation are input as positive numbers.

Audited Balance July 1

Amounts are calculated beginning with Unaudited Balance July 1, plus Audit Adjustments/Restatements. This column should tie to the ending balances in the prior-year Audit Report.

Increases Column

Increases in capital assets are input as positive numbers. Increases in accumulated depreciation are input as negative numbers.

Decreases Column

Decreases in capital assets are input as positive numbers. Decreases in accumulated depreciation are input as negative numbers.

Ending Balance June 30

Amounts are calculated beginning with the Audited Balance July 1, plus Increases, minus Decreases. Amounts in the Ending Balance June 30 column should be verified to ensure that adjustments, increases, and decreases to capital assets have been entered correctly and that ending balances agree to asset schedules and financial statements. Ending balances are extracted into the subsequent year's Form ASSET as beginning balances.

2024-25 Unaudited Actuals
Schedule of Capital Assets

Form ASSET

	Ending Balance from 2023-24 UA		July 1, 2024	2024-25 Adjustments		June 30, 2025
	Unaudited Balance July 1	Audit Adjustments/ Restatements	Audited Balance July 1	Increases	Decreases	Ending Balance June 30
Governmental Activities:						
Capital assets not being depreciated:						
Land	17,955.00		17,955.00			17,955.00
Work in Progress			0.00			0.00
Total capital assets not being depreciated	17,955.00	0.00	17,955.00	0.00	0.00	17,955.00
Capital assets being depreciated:						
Land Improvements	200,591.00		200,591.00			200,591.00
Buildings	923,091.00		923,091.00			923,091.00
Equipment	793,353.00	8,800.00	802,153.00			802,153.00
Total capital assets being depreciated	1,917,035.00	8,800.00	1,925,835.00	0.00	0.00	1,925,835.00
Accumulated Depreciation for:						
Land Improvements	(199,252.00)	(554.00)	(199,806.00)			(199,806.00)
Buildings	(815,892.00)	(15,942.00)	(831,834.00)			(831,834.00)
Equipment	(702,128.00)	(11,867.00)	(713,995.00)			(713,995.00)
Total accumulated depreciation	(1,717,272.00)	(28,363.00)	(1,745,635.00)	0.00	0.00	(1,745,635.00)
Total capital assets being depreciated, net excluding lease assets	199,763.00	(19,563.00)	180,200.00	0.00	0.00	180,200.00
Lease Assets			0.00			0.00
Accumulated amortization for lease assets			0.00			0.00
Total lease assets, net	0.00	0.00	0.00	0.00	0.00	0.00
Governmental activity capital assets, net	217,718.00	(19,563.00)	198,155.00	0.00	0.00	198,155.00
Business-Type Activities:			should tie to the Ending Balances in the 23/24 Audit Report			
Capital assets not being depreciated:						
Land						

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30,2024

E. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 17,955	$ -	$ -	$ 17,955
Work in progress	-	-	-	-
Total capital assets not being depreciated	17,955	-	-	17,955
Capital assets being depreciated:				
Buildings	923,091	-	-	923,091
Improvements	200,591	-	-	200,591
Equipment	793,353	8,800	-	802,153
Total capital assets being depreciated	1,917,035	8,800	-	1,925,835
Less accumulated depreciation for:				
Buildings	815,892	(15,942)	-	(831,834)
Improvements	199,252	(554)	-	(199,806)
Equipment	702,128	(11,867)	-	(713,995)
Total accumulated depreciation	1,717,272	(28,363)	-	(1,745,635)
Total capital assets being depreciated, net	199,763	(19,563)	-	180,200
Governmental activities capital assets, net	$ 217,718	$ (19,563)	$ -	$ 198,155

FORM DEBT

The columns on this form are completed as follows:

Unaudited Balance July 1

Long-term liability ending balances reported in Form DEBT in the prior year are extracted from the database into the Unaudited Balance July 1 (beginning balance) column. Note: Data entry is not allowed in this column.

If long-term liabilities were not reported in Form DEBT in the prior year, and, therefore, zeros appear in the beginning balance column, report any beginning balances in the Audit Adjustments/Restatements column.

Audit Adjustments/Restatements Column

Adjustments or restatements that increase the unaudited July 1 balances are input as positive numbers. Adjustments or restatements that decrease the unaudited July 1 balances are input as negative numbers.

Audited Balance July 1

Amounts are calculated beginning with Unaudited Balance July 1, plus Audit Adjustments/Restatements. <u>This column should tie to the ending balances in the prior-year Audit Report.</u>

Increases Column

Increases in the amounts of long-term liabilities are input as positive numbers.

Decreases Column

Decreases in the amounts of long-term liabilities are input as positive numbers.

Ending Balance June 30

Amounts are calculated beginning with Audited Balance July 1, plus Increases, minus Decreases. Amounts in the Ending Balance June 30 column should be verified to ensure that adjustments, increases, and decreases to long-term liabilities have been entered correctly and that ending balances agree to debt schedules and financial statements. Ending balances are extracted into the subsequent year's Form DEBT as beginning balances.

Note that liabilities relating to postemployment benefits other than pensions (OPEB) are reported in two places in the SACS software. The Total/Net OPEB Liability in Form DEBT should tie to the amount reported on the Government-wide Statement of Net Position. It should be expected to match the total/net OPEB liabilities reported in the Criteria and Standards Review.

Amounts Due Within One Year

Amounts of long-term liabilities due within one year are input as positive numbers. The amounts in this column represent the portion of the long-term liabilities reported in the Ending Balance June 30 column that are payable in the next fiscal year.

The amount reported as due within one year should not exceed the ending balance of the associated liability. If it does exceed the ending balance, "At least one Amount Due exceeds Ending Balance" will appear in red on the screen and will also appear on the printed report. Upon closing the form, a message will display requesting that the data be input or corrected as appropriate. If the condition is not cleared, a Technical Review Check (TRC) exception will occur the next time the Export TRCs are run.

Unaudited Actuals
2024-25 Unaudited Actuals
Schedule of Long-Term Liabilities

Form DEBT

	Ending Balance from 2023-24 UA		July 1, 2024	2024-25 Adjustments		June 30, 2025	
	Unaudited Balance July 1	Audit Adjustments/ Restatements	Audited Balance July 1	Increases	Decreases	Ending Balance June 30	Amounts Due Within One Year
Governmental Activities:							
General Obligation Bonds Payable			0.00			0.00	
State School Building Loans Payable			0.00			0.00	
Certificates of Participation Payable			0.00			0.00	
Leases Payable			0.00			0.00	
Lease Revenue Bonds Payable			0.00			0.00	
Other General Long-Term Debt			0.00			0.00	
Net Pension Liability	3,882,853.00	545,951.00	4,428,804.00			4,428,804.00	
Total/Net OPEB Liability	1,913,178.00		1,913,178.00			1,913,178.00	
Compensated Absences Payable	7,623.00	(22.00)	7,601.00			7,601.00	
Governmental activities long-term liabilities	5,803,654.00	545,929.00	6,349,583.00	0.00	0.00	6,349,583.00	0.00
Business-Type Activities:			should tie to the Ending Balances in the 23/24 Audit Report				
General Obligation Bonds Payable							

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

I. Long-Term Obligations

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2024, are as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Other post-employment benefits payable	$ 1,913,178	$ -	$ -	$ 1,913,178	$ -
Compensated absences	7,623	-	22	7,601	-
Net pension liability	3,882,853	545,951	-	4,428,804	-
Total governmental activities	$ 5,803,654	$ 545,951	$ 22	$ 6,349,583	$ -

FORM GANN

Section A – Prior Year Data

Lines 1–2:
These are prefilled from the prior year's Form GANN.

- If data is incorrect or updated (e.g., ADA or revenues changed after submission), you must:
  - Recalculate the prior year Form GANN.
  - Enter the difference on the current form (Adjustments column).
  - Ensure the revised amount matches the recalculated prior form.
  - Keep documentation for audit purposes.

Lines 3–6:
Enter adjustments to the prior year appropriations limit:

- **Line 3:** District reorganizations, transfers, or lapses.
- **Line 4:** Voter-approved increases (valid up to 4 years).
- **Line 5:** Expired voter-approved increases (reductions).
- **Line 6:** Total of the above adjustments (auto-calculated).

Line 7:
Adjust prior year ADA only if it relates to a change in appropriations limit (e.g., due to reorganization).

Section B – Current Year Gann ADA

Lines 1–3:
ADA is automatically pulled from Form A.

- Includes district and eligible charter ADA.
- Only make adjustments if needed for compliance.
- Any changes must be clearly explained.

Section C – Local Proceeds of Taxes / State Aid
Lines 1–16 (Taxes & Subventions):

- Data is prefilled from Funds 01, 09, and 62.
- Adjust only if necessary (e.g., to include/exclude applicable taxes).
- Provide detailed explanations for all adjustments.

Lines 17–18 (Other Local Revenues):

- Also prefilled; adjust only if required for Gann compliance.

Lines 19–23 (Excluded Appropriations):
Manually enter qualifying exclusions funded by local taxes or state aid:

- **Line 19a:** Federally mandated Medicare (exclude negotiated amounts). **Objects 3321 and 3322 for Funds 01, 09, and 62.**
- **Line 19b:** Capital outlay (≥ $100,000 and useful life ≥ 10 years).

- **Line 19c:** Routine maintenance (adjust if needed).
- **Line 20:** ADA-required costs not reimbursed.
- **Line 21:** Court-ordered desegregation costs (post-1979, unreimbursed).
- **Line 22:** Other federal/court-mandated costs (unreimbursed).

Lines 24–26 (State Aid):
Prefilled from funds.

- **Line 24:** LCFF (Principal Apportionment + EPA).
- **Line 25:** Prior-year LCFF adjustments.

Lines 27–28 (Interest Data):

- Used to calculate interest counted toward the limit.
- Adjust only if needed and explain.

Section D – Appropriations Limit Calculations

Lines 1–4:
Calculates the preliminary appropriations limit using:

- Prior year limit
- Inflation factor
- ADA (population) adjustment

Lines 5–9:
Calculates appropriations subject to the limit:

- Local revenues + state aid − excluded expenditures
- Includes a built-in formula for interest calculations

Line 10:
Shows final adjustment:

- **Positive amount:** District exceeded the limit → limit increases
- **Negative amount:** District below the limit → limit decreases

Final Step – Required for Submission

- Enter Gann contact name and email
- Required to pass validation and complete the official export

CURRENT EXPENSE FORMULA (CEA)/MINIMUM CLASSROOM COMPENSATION

Education Code Section 41372 requires the State to determine whether a district expended the applicable percentage of current expense of education for the payment of salaries of classroom teachers during the preceding fiscal year. The applicable percentages are

(1) Elementary school district = 60 percent of the district’s expenditures

(2) High School district = 50 percent of the district’s expenditures

(3) Unified School district = 55 percent of the district’s expenditures

<u>EXPLANATION OF THE CURRENT EXPENSE FORMULA/MINIMUM CLASSROOM COMPENSATION FORM</u>

California Education Code requires school districts to ensure that a minimum amount of compensation relative to the overall operating budget has been expended on classroom compensation. The formula is below:

$$\frac{\text{Classroom Compensation}}{\text{General Fund Operating Budget}} = \text{District's Current Expense of Education}$$

Part I: Current Expense Formula

The SACS web program automatically gathers the budget information by pulling total actual expenditures in objects 1000-4000, 6500, 5000 & 7300. Available reductions are automatically populated in Column (2), and the SACS user has the option to include additional exclusions in Column (4b) by pulling expenditures in Resources that specifically exclude use for teacher salaries. See below for more information on this.

Following is the complete list of codes extracted as "reductions" in Column 4a and Line 13a: resources 1100, 3316, 3326, 3327, 3372, 3386, 3515, 3724, 4123, 4124, 5035, 5314, 5316, 5370, 5460, 5465, 5652, 6010, 6030, 6126, 6140, 6230, 6300, 6355, 6385, 6386, 6392, 6512, 7010, 7027, 7028, 7085, 7121, 7124, 7126, 7236, 7388, 7410, 8210, and functions 1180, 3600.

Part II: Minimum Classroom Compensation

The SACS web program automatically extracts the data for this section by pulling all salary and benefits information for staff paid from a 1000 (classroom) function (teachers and instructional aides).

Part III: Deficiency Amount

The Form then calculates the district's minimum classroom compensation percentage and determines whether a deficiency exists. If a deficiency exists, the district must either file an application for exemption from the CEA with the County Superintendent of Schools or owe the deficiency amount to its employees.

FILING AN APPLICATION FOR EXEMPTION FROM THE CEA

The district budget staff should take the application to the governing board at the same time as the unaudited actuals report. The governing board of the school district must certify that the application is correct, and either a Board member or the Superintendent should sign the application. In order for it to be accepted, the district must be able to favorably compare itself with at least three (3) other like districts by showing higher salaries paid than the others.

The application document can be found on the CDE's website at: https://www.cde.ca.gov/fg/fi/ft/documents/teachersalaryapp.pdf

USE OF OVERRIDE COLUMN (4B)

Use of this section should be rare. Even though the form extracts expenditures in resources the CDE has already identified as being excluded from the calculation, the form gives the SACS user an opportunity to exclude other expenditures. These can be made within the guidelines of EC 41372 and the district's local auditor. Generally, large one-time expenditures or one-time funding pots that might skew the calculation are acceptable to enter in column (4b). Entered amounts will override amounts in Column 4a, so the user must be careful to enter **the total** of any overrides and all populated amounts from 4(a) into column 4(b). Note: a brief, but descriptive explanation must be provided in Part IV: Explanation for adjustments entered in Part I, Column 4b is required.

Generally speaking, to exclude a categorical manually using column 4(b), it must be granted to the LEA for purposes prohibiting its use toward salaries and benefits.

CODING EXPENDITURES FOR CEA SUCCESS

The standardized account code structure in Everest can be utilized to take full advantage of the allowances provided in the CEA. For example:

- Whenever possible, classroom teachers and direct instructional support staff should not be coded to any resource excluded from the CEA calculation. Direct instructional support costs should be used in Resource 1100, as it is excluded from Part I, but *included* in Part II of the calculation.
- Review expenditures coded to functions 2100, 2130, 2140 to make sure that staff salaries or staff development costs, including substitutes, are not recorded here; these expenditures should be recorded in function 1000.
- Review cost-sharing between the district's general fund and other funds or dependent charters. Using object 5750 to transfer program support costs will decrease costs in the general fund, thereby reducing total expenditures in Part I.

GLOSSARY

GLOSSARY

California School Accounting Manual

Glossary

A

Abatement. A complete or partial cancellation of an expenditure or revenue.

Abatement of expenditures. Cancellation of part or all of a charge previously made, usually because of refunds, rebates, resale of materials originally purchased by the local educational agency (LEA), or collections for loss or damage to the LEA’s property. An abatement of expenditure applies to current expenditures and capital outlay expenditures from all funds.

Abatement of revenue. The cancellation of all or some part of any specific revenue previously recorded.

Accounting period. A period of time for which records are maintained and at the end of which financial statements are prepared covering the period.

Account numbers or letters. Numbers and/or letters that are assigned to the ordinary titles of accounts for classification of accounts and ease of reference.

Accounts payable. Amounts due and owed to private persons, business firms, governmental units, or others for goods received and/or services rendered prior to the end of the fiscal year. Includes amounts billed but not paid. Does not include amounts due to other funds of the same LEA.

Accounts receivable. Amounts due and owed from private persons, business firms, governmental units, or others for goods received and/or services rendered prior to the end of the fiscal year. Includes amounts billed but not received. Does not include amounts due from other funds of the same LEA.

Accrual basis. Method of accounting in which revenue is recorded when earned, even though it has not yet been collected, and in which expenses are recorded when the liabilities are incurred, even if they have not been paid yet.

Accrued expenditures. Expenditures incurred during the current accounting period that are not paid until a subsequent accounting period.

Accrued revenue. Revenue earned during the current accounting period that is not collected until a subsequent accounting period.

Accumulated depreciation. A contra-asset account used to report the accumulation of depreciation. (See also *Depreciation*.)

Actuarial basis. A method used in computing the amount of contributions to be made periodically to a fund so that the total contributions plus the compounded earnings thereon will equal the required payments to be made out of the fund. The factors taken into account in arriving at the amount include the length of time over which each collection or payment is to be made and the rate of return compounded on such amounts over its life.

Ad valorem tax. A tax based on a percentage of the value of goods or services.

Agency fund. A fund consisting of resources received and held by an LEA as an agent for others.

Allocation. Division or distribution in accordance with a predetermined plan.

Allowable costs. Costs that meet the specific criteria of a granting agency.

Allowance. A provision for valuing an asset at net, such as an allowance for bad debts. The allowance for bad debts would be deducted from accounts receivable to reflect the receivables that are likely to be collectable.

Apportionment. Allocation of state or federal aid, district taxes, or other moneys among LEAs or other governmental units.

Apportionment notice. A document notifying LEAs when moneys were deposited with the county treasurer.

Appraisal. An estimate of property value made by the use of systematic procedures based on physical inspection and inventory, engineering studies, and other economic factors.

Appropriation. An authorization, granted by the governing board, to make expenditures and to incur obligations for special purposes. An appropriation is usually limited in purpose, amount, and the time period during which it may be expended.

Appropriation ledger. A subsidiary ledger containing an account for each appropriation. Each account usually shows the amount originally appropriated in the budget, budget increases or decreases during the year, expenditures, encumbrances, unencumbered balances, and other related information.

Arbitrage. The profit earned (i.e., interest earnings in excess of interest costs) from the investments of the proceeds of lower-interest tax-exempt securities in higher yielding taxable securities.

Assessed valuation. Value placed on personal and real property by a governmental unit for purposes of taxation.

Assets. Resources that are held or owned by an LEA and that have monetary value.

Audit. An examination of documents, records, and accounts for the purpose of (1) determining the propriety of transactions; (2) ascertaining whether all transactions are recorded properly; and (3) determining whether statements that are drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.

Audit finding. A weakness in internal controls or an instance of noncompliance with applicable laws and regulations that is presented in the audit report.

Audit program. A detailed outline of work to be done and the procedures to be followed during an audit.

Available cash. Cash that is on hand or on deposit in a given fund and that is unencumbered and can be used for meeting current obligations.

Average daily attendance (ADA). Total approved days of attendance in the LEA divided by the number of days the schools in the LEA are in session for at least the required minimum day. (Refer to *Education Code* sections 46000–46014 and 46300–46380.)

B

Balance sheet. A statement that shows the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or fund deficit of an entity at a specific date and that is properly classified to exhibit the financial condition of the entity as of that specific date.

Basis of accounting. The time at which revenues, expenditures, transfers, and related assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and are reported in the financial statements.

Bond. A certificate containing a written promise to pay a specified sum of money, called the *face value*, at a fixed time in the future, called the *date of maturity*, and specifying interest at a fixed rate, usually payable periodically.

Bond discount. The excess of the face value of a bond over the price for which it is acquired or sold. (The price does not include accrued interest at the date of acquisition or sale.)

Bonded debt. That portion of indebtedness represented by outstanding bonds.

Bonded debt service. Expenditures for interest and redemption of bonds.

Bond premium. The excess of the price at which a bond is acquired or sold over its face value. (The price does not include accrued interest at the date of acquisition or sale.)

Bonds authorized and unissued. Legally authorized bonds that have not been sold and that may be sold without further authorization.

Book value. The cost or stated costs of assets less accumulated depreciation as shown by the books of accounts.

Budget. A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.

Budgetary accounts. Those accounts that make it possible for a budgetary-type fund (governmental fund) to show how (1) estimated revenue and revenue realized to date compare; and (2) expenditures and encumbrances compare with appropriations during the fiscal period. The budgetary accounts are estimated revenues, appropriations, and encumbrances.

Budgetary control. The management of financial transactions in accord with an approved plan of estimated revenue and expenditures.

Budgeting. The process of allocating the available resources of an organization among potential activities to achieve the objectives of the organization; planning for the use of resources.

Budget revision. Net increases and decreases to the budget. They may include increases due to new grant funds and decreases due to the need to reduce appropriations to keep spending within available revenues.

Budget transfer. Changes among budgeted items. They do not increase or decrease the total budget.

C

Capital assets. See *Fixed assets.*

Capital lease. A lease agreement that meets one or more of the following criteria is classified as a capital lease:

- ❖ Ownership is transferred to the lessee at the end of the lease term.
- ❖ The agreement contains a "bargain purchase" option.
- ❖ The lease agreement is 75 percent or more of the estimated useful life of the property.
- ❖ The present value of the minimum lease payment is 90 percent or more of the fair market value of the property.

Capital outlay. Amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, the improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

Capital projects funds. Funds established to account for financial resources that are to be used for the acquisition or construction of major capital facilities and other capital assets.

Cash. Currency, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. Any restriction or limitation as to the availability of cash should be indicated.

Cash advance. Cash apportioned in advance of the usual apportionment period.

Cash basis. Method of accounting in which revenue and expenditures are recorded only when cash is actually received or disbursed. The cash basis is not acceptable for use in LEAs.

Cash collections awaiting deposit. Receipts on hand or moneys in a bank clearing account awaiting deposit in the county treasury.

Cash discount. An allowance made on a purchase if payment is made within a stated period. (This term is not to be confused with *trade discount*.)

Cash in bank. Balances in separate bank accounts, such as student body accounts, school farm accounts, and cafeteria accounts.

Cash in county treasury. Cash balances on deposit in the county treasury for the various funds of the LEA.

Categorical aid. Funds from state or federal sources that are in addition to the general-purpose funding to serve a specific pupil population or to provide specific services and activities. These funds have varying degrees of fiscal and program compliance requirements.

Certificates of participation (COPs). A financing technique that provides long-term financing through a lease (with an option to purchase or a conditional sale agreement).

Chart of accounts. A systematically arranged list of accounts that are applicable to a specific LEA. All account names and numbers, if any, are listed in numerical order.

Check. A bill of exchange drawn on a bank and payable on demand; a written order on a bank to pay on demand a specific sum of money to a named person, to his or her order, or to a bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that a warrant is not necessarily payable on demand and may not be negotiable; a check differs from a voucher in that a voucher is not an order to pay. A voucher-check combines the distinguishing characteristics of a voucher and a check; it shows the propriety of a payment and is an order to pay.

Classification. The naming or identification of an item or a category, such as the designation of the particular account into which a receipt or an expenditure is to be recorded or the separation of data into acceptable groupings so that financial facts can be stated more clearly.

Classroom unit (CU). The approximate area usually occupied by a classroom, varying from 800 to 1,100 square feet but generally about 960 square feet.

Clearing accounts. Accounts used to accumulate total receipts or expenditures for later distribution among the accounts to which such receipts or expenditures are properly allocable.

Closing entries. Entries recorded at the end of each fiscal period to transfer the balances in the revenue and expenditure (or expense) accounts to the permanent equity accounts (fund balance or retained earnings) of an accounting entity.

Code. (1) A distinguishing reference number or symbol; (2) a statement of the laws of a specific field (e.g., *Education Code, Penal Code, Civil Code*, and *Labor Code)*.

Compensated absences. Absences for which compensation is paid (e.g., vacation and sick leave).

Component unit. An organization that is legally separate and for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Comprehensive Annual Financial Report (CAFR). Financial reporting consisting of three sections: (1) introductory section (general information on the LEA's structure, services, and environment); (2) financial section (basic financial statements and required supplementary information, together with information on individual funds and discretely presented component units not reported separately in the financial statements); and (3) statistical section (trend and nonfinancial data useful in interpreting the basic financial statements).

Contingent liabilities. Items that may become liabilities as a result of conditions undetermined at a given date (e.g., guarantees, pending lawsuits, judgments and appeals, and unsettled disputed claims).

Contra account. An account to record offsetting transactions (e.g., abatements).

Contract. An agreement between two or more people or entities to do something. Contracts are usually in writing and are enforceable by law.

Contracted services. Expenditures for services rendered under contract by personnel who are not on the payroll of the LEA, including all related expenditures covered by the contract.

Control account. A summary account, usually maintained in the general ledger, in which is entered the aggregate of the debit and the credit postings to a number of identical, similar, or related accounts called subsidiary accounts. Its balance equals the sum of the balances of the detail accounts.

Cost. The amount of money or its equivalent value paid or agreed to be paid for property or services. Cost may be incurred even before money is paid; that is, as soon as a liability is assumed. Ultimately, however, money or its equivalent must be given in exchange. The cost of some property or service may in turn become part of the cost of another property or service. For example, the cost of materials will be reflected in the cost of articles made from such materials.

County School Service Fund (CSSF). A fund established to control the financial operations of county offices of education.

Credit. The right side of a double-entry posting. Credits will reduce assets, deferred outflows of resources, and expenditures and increase liabilities, deferred inflows of resources, revenue, and fund balance.

Current assets. Assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities.

Current expense of education. The current general fund operating expenditures of an LEA for kindergarten and grades one through twelve, *excluding* expenditures for food services, community services, nonagency activities, fringe benefits for retired persons, acquisition and construction of facilities, and objects 6000 and 7000.

Current liabilities. Amounts due and payable for goods and services received prior to the end of the fiscal year. Current liabilities should be paid within a relatively short period of time, usually within a year.

Current loans. Loans payable in the same fiscal year in which the money was borrowed.

D

Debit. The left side of a double-entry posting. A debit will increase assets and expenditures and reduce liabilities, revenue, and fund balance.

Debt limit. The maximum amount of legally permitted debt.

Debt service. Expenditures for the retirement of debt and for interest on debt.

Debt service funds. Funds established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit. The amount by which a sum of money falls short of a required amount (e.g., apportionment deficits or budget deficits).

Deficit financing. The amount to be provided when estimated expenditures exceed the estimated revenues.

Deficit fund balance. The excess of liabilities and deferred inflows of resources of a fund over its assets and deferred outflows.

Deficit spending. The excess of actual expenditures over actual revenues (also referred to as an operating deficit).

Delinquent taxes. Taxes remaining unpaid after the close of the year in which levied. (See also *Prior years' taxes*, in most cases the preferred term.)

Depreciation. Estimated loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence.

Direct expenses or costs. Expenses that can be separately identified and charged as parts of the cost of a product, service, or department.

Direct support charges. Charges for a support program and services that directly benefit other programs.

Disbursements. Payments by currency, check, or warrant. (The term is not synonymous with *expenditures*.)

Double entry. A system of bookkeeping that requires an amount credited for every corresponding amount debited. Thus, the double-entry ledger maintains equality of debits and credits.

E

Earned interest revenue. A sum of money received or due to be received for the use of money loaned or invested.

EDGAR (Education Department General Administrative Regulations). The regulations of the U.S. Department of Education incorporating certain circulars from the Office of Management and Budget. *EDGAR* is found in the *Code of Federal Regulations, Title 34*, parts 75, 76, 77, 79, 81, 82, 84, 86, 97, 98, and 99. It is defined in the *Code of Federal Regulations, Title 34*,
Part 77.1.

Employee benefits. Amounts paid by the LEA on behalf of employees. These amounts are not included in the gross salary but are over and above. They are fringe-benefit payments; although not paid directly to employees, they are nevertheless part of the cost of salaries and benefits. Examples are (1) group health or life insurance payments; (2) contributions to employee retirement; (3) OASDI (Social Security) taxes; (4) workers' compensation payments; and (5) payments made to personnel on sabbatical leave.

Encroachment. The use of unrestricted moneys to support restricted program expenditures.

Encumbrances. Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved.

Enterprise funds. Funds used to account for those ongoing activities of the LEA that because of their income-producing character are similar to those found in the private sector.

Entitlement. An apportionment that is based on specific qualifications or formula defined in statute. (This term should not be used as a basis for determining how to account for unspent balances of categorical aid.)

Equity accounts. These accounts represent the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources of a fund.

Estimated revenues. For revenue accounts kept on the accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether all of it is to be collected during the period.

Expendable trust fund. A trust fund in which principal and earnings may be expended.

Expenditures. The costs of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlay.

Expenses. Charges incurred, whether paid or unpaid, for operations, maintenance, interest, and other charges that are presumed to benefit the current fiscal period. Expense accounts are used in certain trust funds and in proprietary-type funds.

F

Face value. As applied to securities, the amount stated in the security document.

Fair value of investments. The amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

Fees. Amounts collected from or paid to individuals or groups for services or for use of a school or other facility.

Fidelity bond. A form of insurance that provides for the indemnification of the LEA or other employer for losses arising from the theft or dishonesty of employees.

Fiscal year. A period of one year, the beginning and the ending dates of which are fixed by statute. For LEAs, it is the period beginning July 1 and ending on June 30.

Fixed assets. Assets of a permanent character having continuing value (e.g., land, buildings, machinery, furniture, and equipment), with a cost over the capitalization threshold set by the LEA.

Full-time-equivalent (FTE). The ratio of time expended in a part-time position to that of a full-time position. The ratio is derived by dividing the amount of time of employment required in the part-time position by the amount of employed time required in a corresponding full-time position.

Function. An act, service, or group of services proper to a person, thing, or institution and aimed at accomplishing a certain end. In SACS, *function* refers to those activities or services performed to accomplish a goal.

Fund. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accord with special regulations, restrictions, or limitations.

Fund balance. The difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The fund equity of governmental and trust funds.

G

General fund. The fund used to finance the ordinary operations of the LEA. It is available for any legally authorized purpose.

General journal. A book of original entry for all entries of financial transactions that are not recorded in a special journal, such as a cash receipts journal, a voucher register, or a cash disbursements journal.

General ledger. A book, file, or other device that contains the accounts needed to reflect, in summary and in detail, the financial position, the results of financial operations, and the changes in equities of a fund or an account group used by an LEA.

General long-term debt. Long-term debt that is legally payable from general revenue and backed by the full faith and credit of an LEA.

Generally accepted accounting principles (GAAP). Uniform minimum standards of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. These principles encompass the conventions, rules, and procedures necessary to define accepted accounting practices and procedures. Generally accepted accounting principles provide a standard by which to measure financial presentations. The primary authoritative source on the application of these principles to state and local governments is the Governmental Accounting Standards Board (GASB).

Generally accepted auditing standards (GAAS). Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. The standards are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards are established by the American Institute of Certified Public Accountants (AICPA).

Generally accepted government auditing standards (GAGAS). Generally accepted auditing standards for government are established by the U.S. Government Accountability Office and published in *Government Auditing Standards*, also known as the Yellow Book.

Gift. Anything of value received from any source for which no repayment or service to the contributor is expected.

Goal. In SACS, a *goal* defines an objective or a set of objectives for the LEA. It is used to account for the cost of instruction and other services by the instructional goals and objectives of an LEA.

Governmental Accounting Standards Board (GASB). The organization established to issue standards of financial accounting and reporting with respect to activities and transactions of state and local governmental entities. It is the successor organization to the National Council on Governmental Accounting (NCGA).

Grade level. Assigned classification of students according to age and school progress (e.g., kindergarten or first grade).

Grant. A contribution, either in money or material goods, made by one governmental entity to another. Grants may be intended for specific or general purposes. (This term should not be used as a basis for determining how to account for unspent balances of categorical aid.)

Grants-in-aid. See *Grant*.

H

Holding accounts. Suspense accounts that are used temporarily to accumulate costs that will ultimately be charged to other user programs.

I

Income. A term used in accounting for a proprietary-type fund to represent the excess of revenues earned over the expenses incurred in carrying on the fund's operations. The term *income* should not be used in lieu of *revenue* in governmental-type funds.

Indirect cost. Elements of cost necessary in the operation of the LEA or in the performance of a service that are of such nature that the amount applicable to each accounting unit cannot be determined readily and accurately or for which the cost of such determination exceeds the benefit of the determination. It consists of those business and administrative costs that benefit the entire LEA (e.g., accounting, budgeting, personnel, purchasing).

Indirect cost rate (ICR). A method for claiming reimbursement of indirect costs from federal and state categorical funds. It is the ratio (expressed as a percentage) of the indirect costs to direct base costs.

Indirect support charges. Charges for routine services not performed as a special service for a particular program but allocated to user programs.

In lieu of taxes. Revenue to replace the loss of tax revenue resulting from property that is exempted from taxation.

Interest. A fee charged to a borrower for the use of money.

Interfund accounts. Accounts in which transactions between funds are reflected. These include interfund transfer accounts and interfund receivable and payable accounts.

Interfund borrowing. The movement of cash from one fund to another with the expectation that the borrowing is temporary and will be repaid. Interfund borrowing does not affect the fund balance of either the borrowing fund or the lending fund.

Interfund transfers. Money that is taken from one fund under the control of the governing board and added to another fund under the board's control, without the expectation for repayment. Interfund transactions other than interfund loans or borrowing, quasi-external transactions, and reimbursement. Interfund transfers are not revenues or expenditures. They do not increase the resources of the LEA as a whole but they do affect the fund balance of both funds. (See also *Operating transfers, Residual equity transfers, and Interfund borrowing.)*

Interim borrowing. (1) Short-term loans to be repaid from general revenues during the course of a fiscal year; (2) short-term loans in anticipation of tax collections or bond issuance.

Interim reports. Reports prepared as of a date or a period during the fiscal year. They include budgetary estimates, financial transactions during current year-to-date, and end-of-year projections.

Internal audit. An appraisal activity within an LEA that (1) determines the adequacy of the system of internal control; (2) verifies and safeguards assets; (3) determines the reliability of the accounting and reporting system; (4) ascertains compliance with existing policies and procedures; and (5) appraises the performance of activities and work programs.

Internal control. A plan of organization under which employees' duties are so arranged, and records and procedures so designated, as to provide a system of self-checking, thereby enhancing accounting control over assets, liabilities, revenue, and expenditures. Under such a system, the employees' work is subdivided so that no single employee performs a complete cycle of operation. Such procedures call for proper authorization by designated officials.

Internal service funds. Funds created to render services on a cost-reimbursement basis to other organizational units of the LEA. Such funds are generally intended to be self-supporting.

Inventory. A detailed list showing the quantities and a description of the property on hand at a given time. It may also include units of measure, unit prices, and values.

Investments. Usually, securities and real estate held for the purpose of generating revenues, such as interest, dividends, or rental payments.

Invoice. An itemized statement of charges for merchandise sold or services rendered to the purchaser.

J

Job account. An account established to record the accumulation of costs of a specific piece of work; work orders showing charges for material and labor used.

Journal. Any accounting record in which the financial transactions of an LEA are formally recorded for the first time (e.g., the cash receipts book, check register, and general journal).

Journal voucher. A form provided for the recording of certain transactions or information in place of, or supplementary to, the journal or registers.

Judgments. Amounts due to be paid or collected by the LEA as the result of court decisions.

L

LEA. See *Local educational agency*.

Lease-purchase agreements. Contractual agreements that are termed "leases" but which, in substance, amount to purchase contracts.

Levy. The imposition of taxes or special assessments for the support of governmental activities; also, the total amount of taxes, special assessments, or service charges imposed by a governmental unit.

Liabilities. Legal obligations (with the exception of encumbrances) that are unpaid.

Line-item budgeting. A budget system emphasizing a "balanced budget" through comparison of estimated revenues with projected expenditures. Budgetary divisions are listed by organizational units, such as departments or activities, and expenditures are divided into major categories of personal services, contracted services and supplies, and capital outlay. For budgetary control, further breakdowns of expenditures are made through detailed object accounts based on the wide range of services, supplies, and equipment.

Local educational agency (LEA). Typically, a local school district, county office of education, or joint powers agency engaged in providing educational services.

Long-term debt. Debt that matures more than one year after the date of issuance.

M

Management's discussion and analysis (MD & A). The narrative introducing the financial statements and providing an analytical overview of the LEA's financial performance for the year. It should contain sufficient information for users of the financial statements to evaluate whether the financial position of the LEA has improved or deteriorated as a result of the year's activities.

Modified accrual basis. The accrual basis of accounting adapted to the governmental fund type. Under it, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. Most expenditures are recognized (recorded) when the related liability is incurred.

Multiyear financial plan. A plan that presents financial estimates of programs in tabular form for a period of years. These estimates reflect the future financial impact of current decisions. The data in the plan should be organized along the lines of the program structure.

N

Net income. A proprietary fund's excess of revenues and operating transfers in over expenses and operating transfers out.

Not-for-profit organization (NPO). An entity that meets the definition in the Financial Accounting Standards Board's (FASB) *Statement of Financial Accounting Standards No. 116, Accounting for Contribution Received and Contribution Made*. An entity with the following characteristics that separates it from a business enterprise:

- ❖ It receives contributions of significant amounts of resources from providers who do not expect a commensurate or proportionate pecuniary return.
- ❖ Its operating purposes are other than to provide goods or services at a profit.
- ❖ Unlike business enterprises, it does not have an interest in ownership.

O

Object. As used in an expenditure classification, *object* applies to the article purchased or to the service obtained.

Obligations. Amounts that the LEA may be legally required to meet from its resources. They include not only actual liabilities but also unliquidated encumbrances.

Operating transfers. All interfund transfers other than residual equity transfers.

Order (for payment). A written demand by the governing board of an LEA requiring the county superintendent of schools to draw his or her requisition on the county auditor for the payment of a claim against the LEA.

Other financing sources. Governmental fund general long-term debt proceeds, operating transfers in, and material proceeds of fixed asset dispositions. Such amounts are classified separately from revenues.

Other financing uses. Governmental funds' operating transfers out. Such amounts are classified separately from expenditures.

Overdraft. The amount by which checks, drafts, or other demands for payment on the treasury or on a bank account exceed the amount of the balance on which they are drawn; or the amount by which encumbrances and expenditures exceed the appropriation to which they are chargeable.

Overhead. See *Indirect cost*.

P

Payroll register. A document accompanying one or more orders on a fund of an LEA for the payment of salaries or wages to employees; contains the names of such employees and provides information substantiating such orders.

Payroll warrant. A document used as an order or a requisition on a fund of an LEA for the purpose of paying salaries or wages.

Perpetual inventory. A system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical count. A record is provided for each item or group of items to be inventoried and is divided to provide a running record of goods ordered, received, and withdrawn and the balance on hand in units and cost.

PERS. Public Employees' Retirement System. Unless exempted by state law, classified employees, their district, and the state contribute to this retirement fund.

Personal property. All property except real property. (See also *Real property.*)

Petty cash. A sum of money set aside for the purpose of making change or immediate payments of small amounts. (See also *Revolving cash fund*.)

Physical inventory. The annual physical count of an LEA's inventory. This count is often taken at the end of the year and observed by the LEA's auditors. Periodically, physical inventories are conducted to test the accuracy of the *perpetual inventory* records.

Posting. The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book of original entry.

Prepaid expenses. Expenditures for which payment has been made but for which benefits have not been realized as of a certain date (e.g., prepaid rent, prepaid interest, and premiums on unexpired insurance).

Prior years' taxes. Taxes collected within the current fiscal year for levies in previous fiscal years.

Program. A group of related activities that operate together to accomplish specific purposes or objectives.

Program cost accounting. A method to identify program costs in a standard manner. In SACS, the goal field provides the framework for program cost accounting.

Program structure. The hierarchical arrangement of programs that represents the interrelationship of activities to goals and objectives. The program structure contains categories of activities with common outputs and objectives. Programs may cut across existing departments and agencies.

Project year. A field in SACS that is used to distinguish the activities of grants, sometimes known as special projects, whose "project year" or "reporting year" is different from the LEA fiscal year.

Prorating. The allocating of expenditures or revenue from a single source to two or more accounts to show the correct distribution of charges or revenue.

Purchase order. A document issued to a vendor that authorizes the delivery of specified merchandise or the performance of certain services and the making of a charge for them.

R

Real property. Property consisting of land, buildings, minerals, timber, landscaping, and all improvements thereto.

Rebate. See *Abatement* or *Refund*.

Receipts. Cash received.

Reclassification. Redesignation of the current year's revenue or expenditure items previously posted to one account and later determined to be more properly charged to a different account.

Refund. An amount paid back or credit allowed because of an overcollection.

Registered warrant. A warrant that is registered by the county treasurer for future payment because of a present lack of funds and that is to be paid with interest in the order of its registration.

Registers. A listing of transactions of like kind that may be totaled and summarized for convenience in posting (e.g., payroll registers, warrant registers, and attendance registers).

Reimbursement. Cash or other assets received as a repayment of the cost of work or services performed; or repayment of expenditures made for or on behalf of another governmental unit, fund, or department.

Requisition. A document submitted initiating a purchase order to secure specified articles, services, or issuance of materials from stores or a warehouse.

Reserve for economic uncertainties. The portion of the fund balance that has been designated (set aside) by the governing board to provide for emergencies or economic events, such as revenue shortfalls, that could not be anticipated.

Reserve for encumbrances. An account used to segregate a portion of a fund balance for outstanding encumbrances.

Residual equity transfers. Nonrecurring or nonroutine transfers of equity between funds of the LEA (e.g., transfers of residual balances of discontinued funds to the general fund or contribution of internal service fund capital by the general fund).

Resource. A field in SACS that is used to classify revenues and resulting expenditures in accord with restrictions or special reporting requirements placed on either aspects of LEA financial activities by law or regulation. Further, because such revenues frequently are not fully expended within a fiscal year, and related liabilities are not completely liquidated, the resource code is also to reflect restrictions and special reporting obligations on balance sheet accounts.

Restricted funds. Money whose use is restricted by legal requirement or by the donor.

Revenues. The increases in a fund's financial resources other than from interfund transfers or debt issue proceeds. Revenues are the primary financial resource of a fund. Revenues are recognized when assets are increased without increasing liabilities or incurring an expenditure reimbursement.

Revolving cash fund. An account used primarily for emergency or small disbursements and reimbursed periodically through properly documented expenditures, which are summarized and charged to proper accounting classifications.

S

SACS. Acronym for standardized account code structure.

Schedules. Explanatory or supplementary statements that accompany the balance sheet or other financial statements.

Secured roll. Assessed value of real property, such as land, buildings, secured personal property, or anything permanently attached to land, as determined by each county assessor.

Securities. Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

Serial annuity bonds. Serial bonds in which the annual installments of bond principal are so arranged that the combined payments for principal and interest are approximately the same each year.

Serial bonds. Bonds whose principal is repaid in periodic installments over the life of the issue.

Shared revenue. Revenue that is levied by one governmental unit but that is shared, usually in proportion to the amount collected, with another unit of government or class of governments.

Short-term debt. Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes bond anticipation notes payable and tax and revenue anticipation notes (TRANs) payable.

Source document. Any voucher, invoice, or other data that support an entry in the accounting records.

Special revenue funds. Funds established to account for the proceeds from specific revenue sources that are restricted or committed to finance particular activities other than capital projects or debt service and not held in trust for other individuals or entities.

Standardized account code structure (SACS). A uniform, comprehensive, and minimum chart of accounts for classifying the financial activities of California LEAs.

Statements. (1) In a general sense, all of those formal written presentations that set forth financial information; (2) in technical accounting, those presentations of financial data that show the financial position and the results of financial operations of a fund, a group of accounts, or an entire LEA for a particular accounting period.

State School Fund. A special revenue fund within the State Treasury used for apportionments to school districts and county offices of education on the basis of the Local Control Funding Formula and certain other special-purpose apportionments. Apportionments are made by the State Controller and are based on certifications from the California Department of Education.

Stores. Goods that are on hand in storerooms and that are subject to requisition.

STRS. State Teachers' Retirement System. State law requires certificated employees, school districts, and the state to contribute to this retirement fund.

Student body fund. An agency fund to control the receipts and the disbursements of student associations' activities; it consists only of assets and liabilities.

Subsidiary ledger. A supporting ledger consisting of a group of accounts, the total of which is in agreement with a control account (e.g., payroll ledger and appropriations ledger).

Subvention. Provision of assistance or financial support, usually from a superior governmental unit; a grant.

Supply. An item of an expendable nature that is consumed, wears out, or deteriorates in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

Surety bond. A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation (e.g., a surety bond given by a contractor or by an official who handles cash or securities).

Suspense account. An account that temporarily carries charges or credits pending the determination of the proper account or accounts.

T

Tax and revenue anticipation notes (TRANs). Notes issued in anticipation of collection of taxes, usually retirable only from tax collections and frequently only from the proceeds of the tax levy whose collection they anticipate.

Tax liens. Claims by governmental units on properties for which taxes levied remain unpaid.

Tax rate. The amount of tax stated in terms of a unit of the tax base.

Tax rate limit. The maximum rate of tax that a governmental unit may levy.

Tax redemption. Proceeds from the sale of tax-delinquent property.

Tax relief subventions. Funds ordinarily paid to compensate for taxes lost because of tax relief measures.

Tax roll. The list showing the amount of taxes levied against each taxpayer or property.

Taxes. Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit.

Taxes, protested. Tax money paid under protest and held by the county auditor pending settlement of the protest.

Taxes receivable. An asset account representing the uncollected portion of taxes levied.

Term bond. A bond whose entire principal matures on a single date.

Trade discount. A reduction of the list price, usually expressed as a percentage and related to the volume of business transacted. (The term is not to be confused with *Cash discount*.)

Transfer. Interdistrict or interfund payments or receipts not chargeable to expenditures or credited to revenue. (See also *Budget transfer* and *Interfund transfers*.)

Trial balance. A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or if their net balances agree with a control account, the ledgers from which the figures are taken are said to be "in balance."

Trust fund. A fund used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

Tuition. An amount charged for educational services provided to a student.

U

Unaudited actuals. An annual statement reporting the financial activities of the LEA in which the data are not yet audited.

Unearned revenue. A liability for resources received prior to revenue recognition.

Unencumbered balance. That portion of an appropriation or allotment not yet expended or obligated.

Unit cost. The total expenditure for a product, program, or service divided by the total quantity obtained or some other quantitative measure (e.g., the total expenditure for desks divided by the number of desks equals the cost per desk).

Unrealized revenue. Estimated revenue less revenue received to date; also, the estimated revenue for the remainder of the fiscal year.

Unsecured roll. Assessed value of personal property other than secured property.

V

Voucher. A written document that evidences the propriety of transactions and usually indicates the amounts that are to be recorded.

W

Warrant. A written order, drawn by the LEA's governing board or its authorized officer(s) or employee(s), approved by the county superintendent of schools and allowed by the county auditor, directing the county treasurer to pay a specified amount to a designated payee.

Warrants payable. The amount of warrants issued, outstanding, and unpaid.

Withholding. The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the individual's estimated federal or state income tax that the employer must pay to the taxing authority.

Work in process. The value of partially completed products manufactured or processed, such as a partially completed printing job.

Work order. A written authorization for the performance of a particular job containing a description of the nature and location of the job and specifications for the work that is to be performed. Such authorizations are usually assigned job numbers, and provision is made for accumulating and reporting labor, material, and other costs.

Workstation. Computer, personal computers, or work areas assigned for data processing purpose.