



SCHOOL FINANCE

ASBR UPDATES, CODING GUIDANCE, AND EDIT EXPLANATIONS

July 2016

Missouri Department
of Elementary and Secondary Education

Annual Secretary of the Board Report

The Annual Secretary of the Board Report (ASBR) is the end of year financial summary of a district required by Section 162.821, RSMo.



ASBR

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- The ASBR has the following parts:
 - Summary
 - Restricted Balances
 - Transfer From and To Funds Detail
 - II Revenues
 - Local
 - County
 - State
 - Federal
 - Other



ASBR

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- The ASBR has the following parts (Continued):
 - III-A Expenditures Program by Fund (Function Code by Fund)
 - Instruction
 - Support Services
 - Non-Instruction/Support
 - III-B Expenditures Program by Object (Function Code by Object Code)
 - Instruction
 - Support Services
 - Non-Instruction/Support



ASBR

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- The ASBR has the following parts (Continued):
 - III-C Expenditures Object by Fund (Object Code by fund)
 - Salary and Employee Benefits
 - Purchased Services and Supplies
 - Capital Outlay and Other
 - IV Transportation/Debt
 - Long and Short Term Debt
 - Application for State Transportation Aid
 - School Bus Depreciation Schedule
 - Facility Depreciation Schedule
 - Special Reports
 - File Transfer



ASBR Changes

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Change to the 2015-2016 ASBR

- No Functionality changes to the ASBR.
- **Revenue Code name change**
 - 5459 name changed to Twenty-First Century Community Learning Center/Afterschool Grant
- **Part III-A & III-B Function Code Name Change**
 - Function Code 1912 Tuition to Other Districts Outside the State
 - Function Code 1931 Tuition for Special Education Services to other Districts Within the State
 - Function Code 1932 Tuition for Special Education Services to other Districts Outside of the State
 - Function Code 2551 Contracted Transportation Services for Students
 - Function Code 2552 District Operated Non-Disabled Student Transportation Services



ASBR Changes

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- **Part III-A & III-B Function Code Name Change (Continued)**
 - Function Code 2557 School Choice (ESEA)/Proportionate Share (IDEA) Transportation Cost
- **Part III-A & III-B Function Code Added**
 - Function Code 1913 Tuition to Private Agencies – open in the General (Incidental) Fund and the Special Revenue (Teachers) Fund
 - Function Code 1933 Tuition for Special Education Services to Private Agencies – open in the General (Incidental) Fund and the Special Revenue (Teachers) Fund



ASBR Changes

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- **Part III-C Code Deleted**
 - Line 8015 Total Expenditures Free & Reduced Lunch/At Risk
- **New Edits**
 - 982 - Part III-B, Function Code 2557 indicates expenditures for School Choice (ESEA)/Proportionate Share Transportation Cost. Please verify in the Remarks that the district has not reported data on the Application for State Transportation Aid in Part I or Part IV for these students.
 - 983 - Part III-B, Function Code 2557 indicates expenditures for School Choice (ESEA) Transportation Cost or Proportionate Share (IDEA) Transportation Cost. Please provide an explanation in Remarks regarding how much of this total amount is for each type of expenditure.



ASBR Edits

Common edits that generate in the ASBR.



ASBR Edits

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- The edits in the ASBR either indicate a problem that must be fixed or need to have an appropriate comment.
- Edits are either “Warnings” or “Errors”.
- The ASBR cannot be submitted with “Errors”.
- The ASBR can be submitted with “Warnings” but Edits need to have appropriate comments on in order to receive a balance letter.
- Some “Warnings” indicate a problem that must be resolved in order to receive a Balance Letter.



ASBR Edits

11

- Edit 49 - The PDC carryover amount indicated on Part I does not equal the calculated carryover amount.
 - This is an “Error”.
 - Law states that 1% of the Basic Formula Other State Monies payment must be spent on PDC.
 - A minimum of 75% of the 1% must be spent each year.
 - What is not spent must be carried over as restricted fund Balance and reported on the Restricted Balance Detail.
 - PDC carryover amount is calculated by multiplying line 17B on the June Basic Formula Calculation sheet by 1% and subtracting the total expenditure in the Function Code 2214 plus any PDC carryover from the prior year ASBR.



ASBR Edits

12

- Edit 91 - The \$162,326 or 7% x SAT x WADA transfer exceeds adjusted expenditure. Please provide the following in Remarks: 1. Date of the Board Resolution, 2. Project to be funded by the transfer, 3. Estimated expenditure date.
 - Districts can transfer up to their maximum 7% transfer amount, but if they transfer above their adjusted expenditure amount they must pass a specific Board Resolution.
 - The district must list all three specific pieces of information in the Edit Remark.



ASBR Edits

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- Edit 227, 406, 540 - An amount is reported in revenue Code 5190, Other - From Local Sources, 5397 – Other State Revenue, or 5497 – Other Federal Revenue. Explain in Remarks what makes up this total.
 - This Edit always requires a comment.
 - 5190, 5397, and 5497 are generic areas of revenue and the comment for these Edits must explain all revenue Coded in this area.
 - One common coding mistake is coding surplus property to Other Local Revenue instead of 5651 Sale of Other Property.



ASBR Edits

14

- Edit 598 - The amount reported in Part III-A and Part III-B Function Code 2210, Improvement of Instruction (2211, 2212, 2213 & 2219) is zero. Please review and make necessary adjustments.
 - This is a new edit.
 - 2214 is meant for the 1% PDC expenditure expenses.
 - Other PDC paid for with other specific funds, such as Title, Special Education, grants should be Coded to one of the Function Codes listed above.



ASBR Edits

15

- Edit 599 - Expenditures Coded to Function Code 2214, Professional Development are greater than the 1% PDC expenditure required plus any restricted balance carryover from the prior year. Please ensure this Code only includes PDC expenditures that meet the Objectives of the board approved school improvement plan (160.530, RSMo). In addition, please verify in the Remarks that the district has not Coded any PD expenditures paid for with specific funds (such as federal funds or grants) to Function Code 2214.



ASBR Edits

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- Edit 600 - The district has not complied with the statutory requirement to expend in III-A, 2214, 75% of 1% of the current year Basic Formula - State Monies apportionment (Line 17B) for professional development.
 - Penalty for non compliance is no state aid.
 - “160.530. 1. Beginning with fiscal year 1994 and for all fiscal years thereafter, in order to be eligible for state aid distributed pursuant to section 163.031, a school district shall allocate one percent of moneys received pursuant to section 163.031, exclusive of categorical add-ons, to the professional development committee of the district as established in subdivision (1) of subsection 4 of section 168.400.”



ASBR Edits

17

- Edit 960 - Items have been placed on the Facility Depreciation Schedule but Percent of Total Transportation Vehicles Served By Facility has been set equal to zero. Please verify that this is accurate.
 - It would be extremely unusual for a district to have something on the Facility Depreciation schedule and not use it for transportation. If a district truly does not use the facility for pupil transportation at all they need to comment on this Edit explaining the circumstances.
 - Otherwise they need to go to the Facility Depreciation schedule and enter the correct percentage the facility is used by the district's pupil transportation department.



ASBR Edits

18

- Edit 979 - Part III-B, Function Code 2559 indicates expenditures for Early Childhood Special Education (ECSE) transportation. Please verify in the Remarks that the district has not reported data on the Application for State Transportation Aid in Part IV for these students.
 - No data for ECSE transportation should be reported on the Application for State Transportation Aid.
 - Edit is asking districts to verify they have NOT included ECSE information and to remark to the Edit to confirm they verified this information.



ASBR Edits

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- Edit 986 - Expenditures are shown in Part III-B, 2554/6110 Certificated Salaries, 6150 Non-Certificated Salaries, 6200 Employee Benefits, and/or 6400 Supplies but not in all of these Object Codes. Please review.
 - To have a transportation route there must be at minimum an expenditure for:
 - Driver's salary (6150)
 - Driver's benefits (6200)
 - Gas (6400)



ASBR edits

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- Edit 969 - The district has not completed a review of the School Bus Depreciation Schedule. Please review the School Bus Depreciation Schedule in Part IV ensuring all buses are correctly reported. Once this review has been completed, select the link labeled “School Bus Depreciation Schedule Assurance of Review” at the top of the School Bus Depreciation Schedule.



ASBR Edits

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- The information found on the School Bus Depreciation Schedule is used in the Transportation Payment.
- The Depreciation Schedule needs to be kept up-to-date.
- Districts need to verify this schedule each year.
- Compare the buses to buses in the district's fleet.
- Edit 969 was added to remind districts to review the schedule.



ASBR Edits

22

□ School Bus Depreciation Schedule Assurance of Review

Save

Add Bus

[School Bus Depreciation Schedule Assurance of Review](#)

School Bus Depreciation Schedule

Sort By: Bus Number Delivery Date Ascending Descending

Bus Number	VIN Number	Model Year	Date District Took Delivery	Purchase or Lease Purchase Price	Amount of Purchase Price Paid With Specific Program Funds (excludes local dollars)	Program Used for Purchase	% Depreciation	Depreciation This Year
1	1HVBPLP1PH505376	1993	04/01/1993	45,551	0		20.0	0

Message from webpage

 By clicking OK, you are assuring that you have reviewed your School Bus Depreciation Schedule and have verified that it is complete and accurate.

OK Cancel

Save

Add Bus

Reviewed by TLEHMEN on 04/06/2016 at 1:37 PM



Coding Guidance

How should revenues and expenditures be Coded? What does each part of the coding process mean?



Coding Guidance

24

Revenues are broken down into five sections

- Local Revenues (Revenue Codes 5111-5199)
- County Revenues (Revenue Codes 5211-5299)
- State Revenues (Revenue Codes 5311-5399)
- Federal Revenues (Revenue Codes 5411-5499)
- Other Revenues (Revenue Codes 5611-5898)



Coding Guidance

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Function Codes

- Function Codes includes the activities or actions that are performed to accomplish the Objectives of a school district
- The activities of a school district are classified into five broad areas or Functions:
 - Instruction (Function Codes 1110-1400, 1900-1999)
 - Support Services (Function Codes 2110-2999)
 - Non-Instruction/Support (Function Codes 1610-1660, 3000-5300)



Coding Guidance

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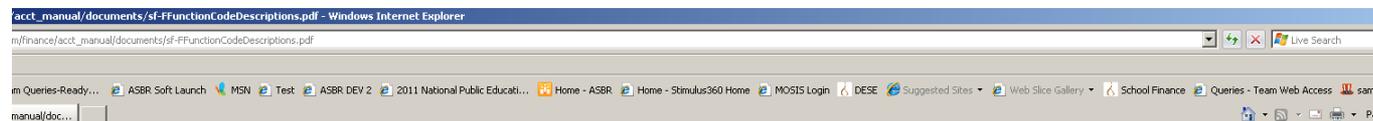
Function Codes

- ❑ Class Codes (Codes ending in zero) are for subtotaling purposes only and are not used for posting transactions
- ❑ Subclass Codes (Codes ending in zero) are for subtotaling purposes only and are not used for posting transactions
- ❑ Detail Codes are used for posting transactions
- ❑ No revenue Code has their own corresponding, separate, specific Function/program Code



Coding Guidance

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1300

Career Education Programs - Programs, services and activities which will provide students and adults with the knowledge and skills needed for employment in current or emerging fields, to continue their education, or to be retrained for new business and industry practices.

Not used for posting transactions.

Not used for posting transactions

1310

Agricultural Education

Not used for posting transactions.

1311

Agricultural Education - Agricultural Education prepares secondary, postsecondary and adult students for a variety of careers and advanced college or technical training in the Agriculture, Food and Natural Resources System.

General (Incidental)
Special Revenue (Teachers)
Capital Projects

Used for posting transactions

Transactions in Function Code 1311 can be posted to the General (Incidental) Fund, Special Revenue (Teachers) Fund, or the Capital Projects Fund



Coding Guidance

Object Codes

- Object Codes are based on how a particular expenditure is paid out or planned to be paid out, whether as a salary, an employee benefit, a purchased service, a supply item, a capital outlay, or debt expenditure.
- The activities of a school district are classified into five broad areas or Functions:
 - Salary and Employee Benefits (Object Codes 6100-6290)
 - Purchased Services and supplies(Object Codes 6311-6490)
 - Capital Outlay and Other(Object Codes 6510-6630)



Coding Guidance

Project Codes

- Project Codes may be used to detail the source of funds, project, or even responsibility depending upon the LEA informational needs
- If the district's vendor program allows for a three digit Project Code the district may want to use a 3 in front of all state Project Codes and a 4 in front of all federal Project Codes
- The Project Code will allow the district to track various projects across Funds and Codes



Coding Guidance

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- School Finance is unable to see what Project Codes a district uses
- Project Codes are for district use
- Example:
 - A district may choose to use Object Code 51 for Title I – ESEA
 - The use of this Project Code would allow for the summation of all expenditures associated with the Project Code regardless of the Fund, Function or Object Code used.



Coding Guidance

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Project Codes

- Project Codes should be used in lieu of the district creating Function Codes that aren't outlined in the Accounting Manual
- Concerns associated with districts creating specifically labeled Function Codes
 - The Code that was created may need to be used by the department at some point as a specific Code for district use and this could cause problems for the district
 - The Code may not roll into the correct Code in the ASBR report



Coding Guidance

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Refunds and Reimbursements

□ Refunds and Reimbursements – **Incoming to the District**

Refunds and reimbursement that were charged to an:

- Expenditure Account in the current year should be credited to the appropriate Expenditure Account (reduces apparent expenditures).
- Expenditure account of previous year should be credited to a Revenue Account (Account 5195, Prior Period Adjustment).
 - Reimbursement or receipts for a salary expenditure should always be recorded as a Revenue (Account 5198, Miscellaneous Local Revenue, Account 5397, Other State Revenue, or Account 5497, Other Federal Revenue) and then expensed in the appropriate salary expenditure category.



Coding Guidance

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□ Refunds and Reimbursement – Outgoing from District

Payments made by an LEA correcting or adjusting previous revenues that were recorded in:

- Revenue Accounts in the current year should be debited to the same Revenue Account (reduces apparent revenue).
- Revenue Account of a previous year should be debited to current year expense (Function Code 2329, Executive Administration or Function Code 2529, Business/Central Services, Object Code 6398, Other Expenses).



Coding Guidance

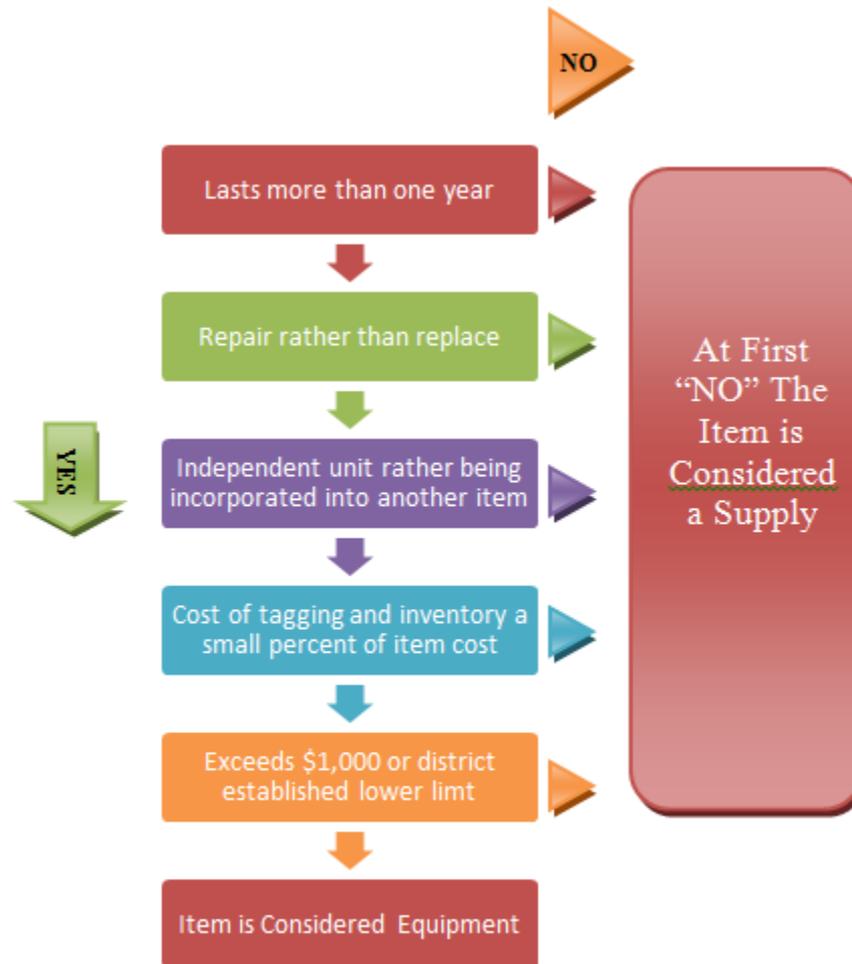
Equipment Versus Supply Items:

- ❑ Individual unit cost is \$1,000 or more
- ❑ It retains its original shape, appearance, and character with use.
- ❑ It does not lose its identity through fabrication or incorporation into a different or more complex unit or substance.
- ❑ It is nonexpendable, that is, if the item is damaged or some of its parts are lost or worn out, it is more feasible to repair the item than to replace it with an entirely new unit.
- ❑ Under normal conditions of use, including reasonable care and maintenance, it can be expected to serve its principal purpose for more than one year.



Coding Guidance

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Coding Guidance

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- Capitalization of Software
 - Computer software can be purchased, subscribed to, or internally generated. Software meeting the following criteria would be considered equipment and paid for out of the Capital Projects Fund:
 - Software license that is bought that costs \$5,000 or more.
 - Internally created software costing \$5,000 or more.
 - Software purchases costing less than \$5,000, licenses to software lasting less than a year are considered a supply and Coded to the appropriate 64xx supply Code. Annual maintenance agreements and subscription fees to access online programs are considered a purchased service and Coded to a 63xx Object Code.



Coding Guidance

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Interfund Transfers

- Section 165.011, RSMo, and administrative interpretations provide for several interfund transfers that a school district may make.
- The following slides list all allowable interfund transfers and provide detailed information regarding some of the most frequently used transfers.



Coding Guidance

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Transfer Type	Transfer From	Transfer To
Teachers Fund	General (Incidental) Fund	Special Revenue (Teachers) Fund
Debt Service Balance	Debt Service Fund	Capital Projects Fund
Transportation Calc Cost	General (Incidental) Fund	Capital Projects Fund
Area Career Center	General (Incidental) Fund	Capital Projects Fund
Grant Match	General (Incidental) Fund	Capital Projects Fund
DNR Energy Conservation Loans	General (Incidental) Fund	Capital Projects Fund
Food Services	General (Incidental) Fund	Capital Projects Fund

Coding Guidance

Transfer Type	Transfer From	Transfer To
Student Activities	General (Incidental) Fund	Capital Projects Fund
\$162,326 or 7% x SAT x WADA	General (Incidental) Fund	Capital Projects Fund
Capital Projects Fund Interest	Capital Projects Fund	General (Incidental) Fund
Unspent Bond Proceeds	Capital Projects Fund	Debt Service Fund
Capital Projects Unrestricted Funds	Capital Projects Fund	General (Incidental) Fund
FY06 Designated Levy or 5% x SAT x WADA	General (Incidental) Fund	Debt Service Fund
FY06 Designated Levy or 5% x SAT x WADA	General (Incidental) Fund	Capital Projects Fund

Coding Guidance

Transfer Type	Transfer From	Transfer To
Lease Purchase Prior to 01/01/1997	General (Incidental) Fund	Capital Projects Fund
Guaranteed Energy Performance Contract	General (Incidental) Fund	Capital Projects Fund
Excess Incidental Fund Balance	General (Incidental) Fund	Special Revenue (Teachers) Fund



Coding Guidance

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□ Teachers Fund Transfer

- A district may transfer revenue, on a regular basis (monthly, quarterly, etc.), from the General (Incidental) Fund to the Special Revenue (Teachers) Fund to cover checks being written against the fund. Section 165.021.4, RSMo, states, “No check shall be drawn ... unless there is sufficient money in the treasury and in the proper fund for the payment of the indebtedness.” District must transfer an amount sufficient to cover all expenditures that are not covered by another source of revenue. Section 165.011, RSMo.



Coding Guidance

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□ **Transportation Calculated Cost Transfer**

- A district in compliance with Section 163.031.6, RSMo may transfer from the General (Incidental) Fund to the Capital Projects Fund an amount based on prior year allowable transportation capital outlay expenditures, including school bus and facility depreciation. This amount is calculated by the Department of Elementary and Secondary Education and is indicated monthly on the Calculation of State Transportation Aid Report. The transferred amount may be used for any capital outlay expense, or it may be used to build a balance in the Capital Projects Fund. Section 165.011, RSMo.



Coding Guidance

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- **\$162,326 or 7% x SAT x WADA Transfer**
 - Per Section 165.011, RSMo, a district in compliance with Section 163.031.6, RSMo, may transfer from the General (Incidental) Fund to the Capital Projects Fund amounts necessary for capital outlay expenditures. If the transfer is in excess of adjusted expenditures, the board must pass a resolution identifying the specific project and the estimated expenditure date(s).
 - The maximum \$162,326 or 7% x SAT x WADA transfer amounts are calculated annually by School Finance based upon the first preceding year weighted average daily attendance and the current year's state adequacy target and are not finalized until June 30 of that fiscal year. The maximum transfer amount is calculated by determining the greater of:
 - \$162,326 or
 - 7% of the current year's state adequacy target multiplied by the district's first preceding year weighted average daily attendance.



Coding Guidance

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- Preliminary and Final maximum transfer amounts are available at <http://dese.mo.gov/financial-admin-services/school-finance/data-reports> for the following transfers:
 - Transportation Calculated Cost Transfer
 - \$162,326 or 7% x SAT x WADA Transfer
 - FY06 Designated Levy or 5% x SAT x WADA Transfer



Coding Guidance

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- Updates to the Accounting Manual are provided in July of each year
- The Accounting Manual and Accounting Manual updates are available at <http://dese.mo.gov/financial-admin-services/school-finance/accounting-manual> The Accounting Manual is also available as a link in the ASBR
- School Finance Topics and Procedures are available at <http://dese.mo.gov/financial-admin-services/school-finance/finance-topics-procedures> and are also available as a link in the ASBR



Bookkeeper & ASBR Contact Information

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- Please ensure that the district has the appropriate district personnel listed as the bookkeeper contact on Core Data Screen 3.
- Please ensure that the district has the appropriate district personnel listed as the ASBR contact on Core Data Screen 3.
- This contact information is used when bookkeeper or ASBR specific information is being shared or contact needs to be made with the bookkeeper or ASBR contact specifically.



Contact Information

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