

Per-Pupil Current Expenditures Calculated at a Building Level

To fulfill the federal requirement created in Elementary and Secondary Education Act of 1965 Per-pupil expenditures, the Missouri Department of Elementary and Secondary Education (DESE) is requiring additional elements to be reported by districts and charter schools starting July 1, 2018, for FY 2019 and all years following. These items will be collected on the Annual Secretary of the Board Report (ASBR).

The calculation of the Per-Pupil expenditures will be included in the Report Card and is described in Title I, Part A, Sec. 1111; Annual State Report Card Requirements.

“The per-pupil expenditures of Federal, State, and local funds, including actual personnel expenditures and actual nonpersonnel expenditures of Federal, State, and local funds, disaggregated by source of funds, for each local educational agency and each school in the State for the preceding fiscal year.”

District/Charter schools will be required to record revenues and expenditures in a manner to allow for the total current expenditure dollar amount to be categorized by federal, state, and local funds by building/location. The dollar amount generated by category and building/location will be divided by PK-12 September Enrollment with a few modifications. Non-Resident Enrollment will flow back to the resident district that has the expenditure for educating the student.

Revenue and Function Codes to Report at a Building Level

Revenues reported under student activity and tuition revenue codes will need to be reported at a building level. A list of revenue and function codes that must be reported at a building level can be located on the [School Finance Accounting Manual webpage](#).

Expenditures reported under function codes 1XXX, 21XX, 22XX, and 24XX must be reported at a building level. A list of revenue and function codes that must be reported at a building level can be located on the [School Finance Accounting Manual webpage](#). Buildings for which these items must be reported are those buildings in which student data is reported to DESE inside the MOSIS/Data Collection environment.

Allowable Building Codes to Record Revenues and Expenditures

If student enrollment and attendance are not allowed to be reported under the building number then that building number cannot be used as a location code field in conjunction with a revenue or function code that requires a location code. Most districts and charter schools are not allowed to report student data under career education centers and vocational school building codes. Contact the personnel in your district or charter school who report MOSIS data to confirm what building numbers can be used as a location code in your district.

A list of revenue, function, and object codes that DESE will break out at a building level for each district and charter school for the above calculation can also be located on the [FY 2019 Accounting Structure Changes](#) webpage. These items will be broken out based upon September Enrollment in each building when the calculation is performed by DESE. These items may be reported with any building number the district or charter school chooses.

¹ New function codes starting with FY 2019.

Guidance on Reporting at a Building Level

For those revenue, function, and object codes that must be reported at a building level, if the expenditure can be identified at a building level, then those expenditures should be allocated at that specific building/location. It is possible that some districts and charter schools operate programs at a district/charter level. If the district or charter school operates a program at a district/charter level versus a building level and cannot specifically identify cost to the building level, it will still be necessary to record those expenditures at a building level. For most expenditures of this nature which may occur in a district or charter school, DESE requests that these expenditures be prorated amongst the appropriate building/location. Examples of allocation methodologies are shown below. Note: it is important to ensure you are following all program specific requirements.

Example Method I: Expenditures specifically tied to only one building/location

Option I: Expenditures tied to only one building/location

- Step 1: Determine building/location code to use to report cost
- Step 2: Code 100 percent of the cost to that building/location code

Option II: Expenditures tied to multiple programs in only one building/location

- Step 1: Determine percentage of time for each program
 - Example: Teacher (40 percent Special Education, 60 percent Title)
- Step 2: Determine building/location code to use to report the cost for each program
- Step 3: Code calculated percentage of cost to those building/location code
 - 4020 = \$21,200 (\$53,000 x .40 Special Education)
 - 4020 = \$31,800 (\$53,000 x .60 Title)

Example Method II: Expenditures specifically tied to multiple building(s)/location(s)

Option I: Time spent within each building

- Step 1: Determine time spent within each applicable building
 - Example: Teacher spends 20 percent of time in building 4020 and 80 percent in building 4040
- Step 2: Determine proration of cost per building using the time spent within each building.
- Step 3: Code calculated percentage of cost to the applicable building/location codes
 - Example: Salary of teacher is \$53,000.
 - 4020 = \$10,600 (\$53,000 x .20)
 - 4040 = \$42,400 (\$53,000 x .80)

Option II: Students served within each program and/or building

- Step 1: Determine number of students served within each program by building
- Step 2: Determine proration of cost per building using the number of students served within each building
- Step 3: Code calculated percentage of costs to the applicable building/location codes

¹ New function codes starting with FY 2019.

Option III: Total enrollment within applicable buildings

- Step 1: Determine applicable building/location codes to use to report costs
- Step 2: Determine percentage of student enrollment in applicable buildings
 - Example: Program only serves elementary students

Building	4020	4030	4050	4060	Total
Enrollment	250	300	325	375	1,250
Percentage	20.00%	24.00%	26.00%	30.00%	100.00%

- Step 3: Determine proration of cost per building using student enrollment percentage in each building for applicable buildings
- Step 4: Code calculated percentage of cost to each applicable building/location code

Example Method III: District/Charter-wide expenditures not specifically tied to building(s)/location(s)

Option I: District/Charter-wide expenditures not tied to specific buildings

- Step 1: Determine all building location codes to use to report costs
- Step 2: Determine percentage of student enrollment in all buildings

Building	4020	4030	4050	4060	3000	3050	1050	1070	Total
Enrollment	250	300	325	375	600	650	625	675	3,800
Percentage	6.58%	7.89%	8.55%	9.87%	15.79%	17.11%	16.45%	17.76%	100.00%

- Step 3: Determine proration of cost per building using student enrollment percentage in each building for all buildings
- Step 4: Code calculated percentage of cost to each building location code

Option II: Students served within each program for all buildings

- Step 1: Determine number of students served within each program by each building

Building	4020	4030	4050	4060	3000	3050	1050	1070	Total
Students Served	50	25	62	80	125	80	150	75	647
Percentage	7.73%	3.86%	9.58%	12.36%	19.32%	12.36%	23.18%	11.59%	100.00%

- Step 2: Determine proration of cost per building using the number of students served within each building
- Step 3: Code calculated percentage of costs to the applicable building location codes

A list of the revenue, function, and object codes that are required to be reported at a building level can be found on the Missouri Financial Accounting Manual webpage under the link for [FY 2019 Accounting Structure Changes](#).

Steps of Analysis

The changes mandated by ESSA will require districts and charter schools to think about the coding of revenues and expenditures in a more precise way. Following are some suggestions to help with determining how to code revenues and expenditures using the new required components in the accounting code structure:

¹ New function codes starting with FY 2019.

Source of Funds

All expenditures will be required to be coded with a source of funds. A list of these can be found on the Missouri Financial Accounting Manual webpage under the link for [FY 2019 Accounting Structure Changes](#). Review programs and note those items for which there is a specific source of funds.

1. Before- and after-school care paid for with parent fees = locally funded program. Source of funds would be 1.
2. Program funded by federal revenue, no local or state maintenance of effort required = federally funded program. Source of funds would be 4.
3. Programs funded by a mixture of federal, state, county, or local funds, maintenance of effort required = mixed funding. Determine the specific percentage of state, local, or county funds used to fund the program.

How to Determine Revenue Source Paying for Expenditures

Programs should be reviewed, and it should be determined if they are funded by local, state, or federal funds. If a percentage of these sources can be determined for a program, then that is how expenditures should be allocated.

For programs that are funded with unrestricted local, county, or state revenue, it is advisable to determine a percent of each category of monies received in revenue and allocate the appropriate percentage of expenditures accordingly.

Building/Location Code

Review programs and determine if they are district/charter-wide programs or specific to a building.

1. Does the district or charter school run the program in each building, or is the program operated in one location for all students in the district or charter school?
2. Is the program related to instruction?
3. Is the expenditure coded to a function or object code that the district or charter school is required to report at a building/location level?

For example allocation methodologies please see the section titled “Guidance on Reporting at a Building Level” listed above.

Project Code

Review district’s or charter school’s project codes and develop a game plan for conversion.

1. If current project codes are three digits, can you just add two leading zeros?
2. Change project codes for those revenue sources for which DESE has now assigned a project code. A list of these can be found on the Missouri Financial Accounting Manual webpage under the link for [FY 2019 Accounting Structure Changes](#).

¹ New function codes starting with FY 2019.

Professional Development

Districts and charter schools will be required to break out professional development expenditures at a building level. Sometimes these expenditures are hard to assign to a building. DESE requests that these expenditures be prorated by building. Example of methodologies that can be used were shown previously in this document.

Tuition

For tuition paid for students to attend a public or private school, DESE requests that these expenditures be reported based on the percentage of students enrolled in each building in which student data is reported.

Tuition received should be broken out by the district and charter school and reported in the building in which the student is educated. These revenue codes are shown below:

<u>Detail</u>	<u>Code Title</u>
5121	<u>Regular Day School Tuition (K-12) Received from Individuals</u>
5122	<u>Summer School Tuition (K-12) Received from Individuals</u>
5182	<u>PK Tuition From Parents</u>
5811	<u>Tuition From Other LEAs - Regular Term</u>
5812	<u>Tuition From Other LEAs - Summer School</u>
5821	<u>Area Career Center Fees From Other LEAs</u>
5831	<u>Contracted Educational Services From Other LEAs</u>

Alternative Programs

The cost should be reported under the building in which the students are reported. The Function Code will be 1193 – Alternative Programs¹ instead of 1151, 1131, or 1111. If the district or charter school needs more differentiation than the separate function code provides, it is suggested that the district or charter school utilize a project code or other field in the accounting code structure allowed by your vendor.

Residential/Treatment Facilities Schools

The cost should be reported under the building in which the students are reported. The Function Code would be 1194 – Residential/Treatment Facilities¹ instead of 1151, 1131, or 1111. If the district or charter school needs more differentiation than the separate function code provides, it is suggested that the district or charter school utilize a project code or other field in the accounting code structure allowed by your vendor.

Virtual Instruction

The cost should be reported under the building in which the students are reported. The Function Code would be 1195 – Virtual Instruction² instead of 1151, 1131, or 1111. If the district or charter

¹ New function codes starting with FY 2019.

school needs more differentiation than the separate function code provides, it is suggested that the district or charter school utilize a project code or other field in the accounting code structure allowed by your vendor.

Early Learning Blended Funding

Early Learning Blended Funding must be reported with a Project Code of 40002. For the purposes of the Current Expenditure Calculation by building as required by ESSA, DESE will calculate the percentages from the district or charter school's final expenditure report (FER) for the Source of Funds utilized for these blended funding expenditures.

Schoolwide Pool

Schoolwide Pool must be reported with a Project Code of 40001. LEAs will need to report the expenditures under the appropriate location code. DESE will designate the source-of-funds code for the expenditures for each location code based on budget contribution. Total expenditures reported on the FER will equal the sum of the building allocations. This will be for the purpose of the Current Expenditure Calculation by Building as required by ESSA.

Proportionate Share Services

While proportionate share expenditures are for parentally placed private, parochial, and/or home schooled children, DESE requests that expenditures coded to 1224 – Proportionate Share Services be reported based on the percentage of students enrolled in each building in which student data is reported.¹

Special Education Cooperatives

When districts are part of a special education cooperative the fiscal agent must record fees received from the member districts as 5811. When coding expenditures paid for with the fees received from the member districts the appropriate function and object code should be used, the source code should be a 1 for local, and the project code of 12000 should be used. Both the revenue and expenditures should be reported to the appropriate building/location code in which expenditures for these revenues are spent. See the section titled "Guidance on Reporting at a Building Level" in this document for help determining the appropriate building/location codes.

Member districts of the cooperative will record the fees paid to the fiscal agent as 1911-6311 and record those expenditures to the appropriate building/location code in which student enrollment is reported. See the section titled "Guidance on Reporting at a Building Level" in this document for help determining the appropriate building/location codes.

Career Education Perkins Consortiums (Where Fiscal Agents Distribute Funds to Members)

For school districts or charter schools that are fiscal agents of a Perkins consortium, the receipt of the Federal Perkins revenue must be recorded to Revenue Code 5427. If the fiscal agent disperses

¹ New function codes starting with FY 2019.

the Federal Perkins funds to a consortium member, the fiscal agent must record the expenditure under Function Code 2529 – Other Fiscal Services and either Object Code 6321 Subawards Under Subagreements – First \$25,000 or Object Code 6322 Subawards Under Subagreements – In Excess of \$25,000.

When a consortium member receives the Federal Perkins funds from the fiscal agent, the consortium member must also code the receipt of those funds as Federal Perkins revenue under code 5427. In addition, the consortium member must record the expenditure in the general ledger under the appropriate function and object code and include a project/source code to identify the expenditure as paid with Federal Perkins funds.

¹ New function codes starting with FY 2019.